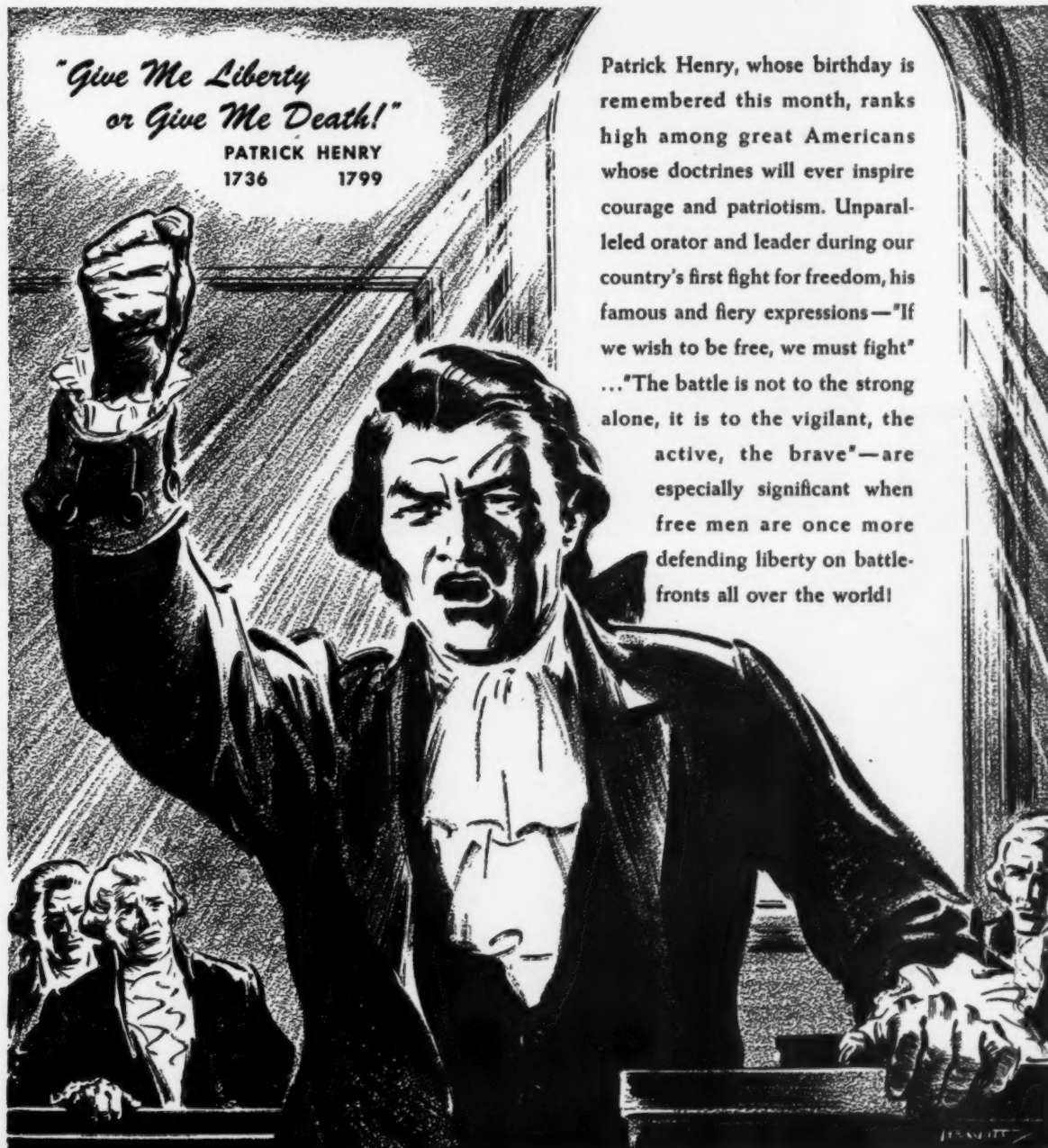


The NATIONAL UNDERWRITER



*"Give Me Liberty
or Give Me Death!"*

PATRICK HENRY
1736 1799

Patrick Henry, whose birthday is remembered this month, ranks high among great Americans whose doctrines will ever inspire courage and patriotism. Unparalleled orator and leader during our country's first fight for freedom, his famous and fiery expressions—"If we wish to be free, we must fight" ... "The battle is not to the strong alone, it is to the vigilant, the active, the brave"—are especially significant when free men are once more defending liberty on battle-fronts all over the world!



CRUM & FORSTER
MANAGERS



110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co.
The North River Insurance Co.
Westchester Fire Insurance Co.
The Allentown Fire Insurance Co. of Pittsburgh

Organized 1824
Organized 1822
Organized 1837
Organized 1868

Richmond Insurance Co.
Western Assurance Co., U. S. Branch
British America Assurance Co., U. S. Branch
Southern Fire Insurance Co., Durham, N. C.

Organized 1836
Incorporated 1851
Incorporated 1833
Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

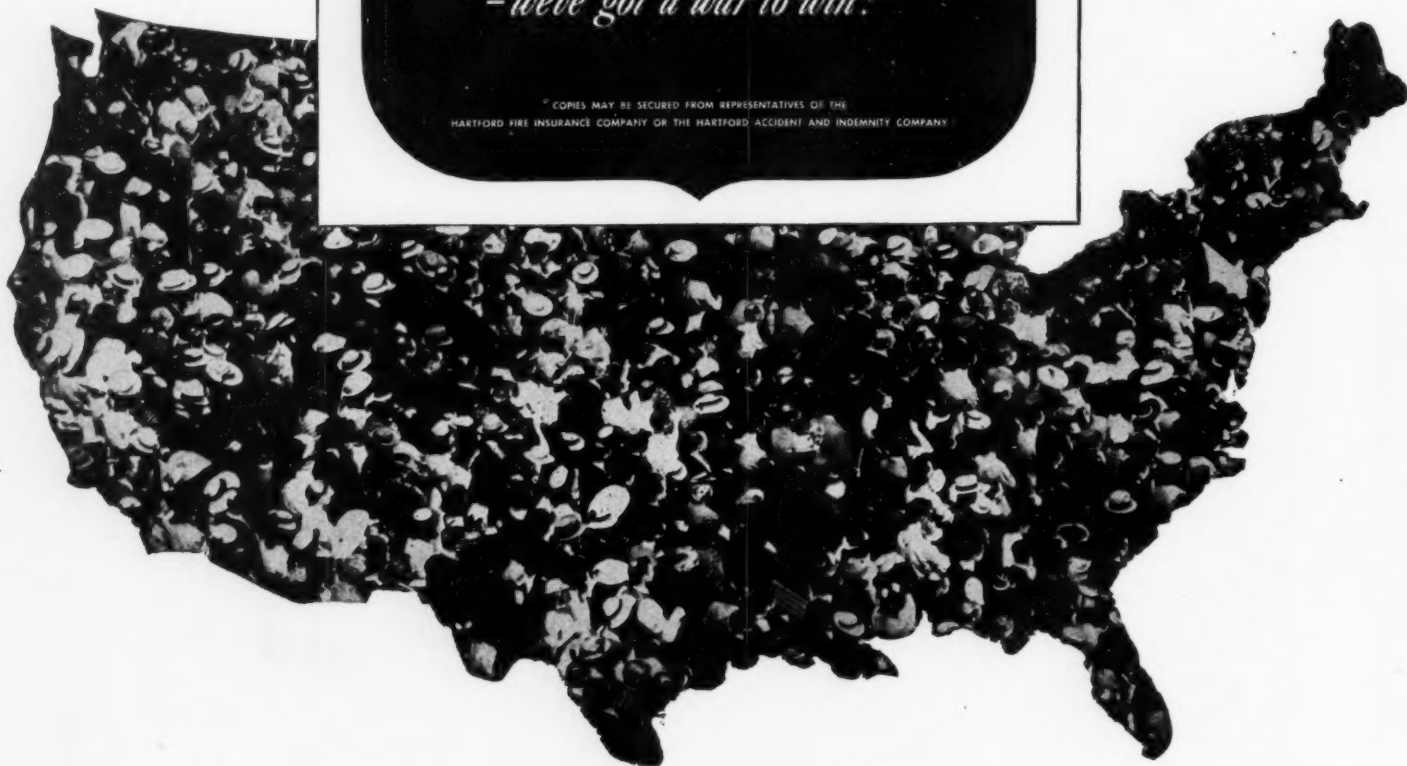
THURSDAY, MAY 6, 1943

As a contribution to the war effort, this advertisement is appearing in leading national magazines.

Let's fight the enemy
- not each other

Let's be patient
- be considerate
- keep smiling and
CARRY ON
- *we've got a war to win!*

COPIES MAY BE SECURED FROM REPRESENTATIVES OF THE
HARTFORD FIRE INSURANCE COMPANY OR THE HARTFORD ACCIDENT AND INDEMNITY COMPANY



“That’s a pretty good idea for all of us”

Everyone feels the tension of wartime living. Sometimes it results in hasty words and ill-considered actions—in public—in the marketplace and even in our homes. That doesn’t help. We’ve got to *work together*—we’ve got a war to win!

The poster-card shown above is a helpful

reminder to all of us. It is done in red, white and blue, size 11" x 14". How many can you use? They may be secured *free* through your local representatives of the Hartford Fire Insurance Company or the Hartford Accident and Indemnity Company—or write to either company at Hartford, Connecticut.

Biddle Launches Anti-Trust Probe in New York

Without Waiting for Atlanta Decision, Attorney-General Makes New Move

NEW YORK—In a move which came as a complete surprise to insurance men, U. S. Attorney-General Biddle has authorized an anti-trust investigation here of the National Board, Insurance Executives Association, Aetna Fire "and other persons and firms, corporations, companies and associations unknown to the department."

The action was revealed by the filing of commissions here by F. H. Elmore, Jr., special assistant to the attorney-general, and M. M. Gorman, special attorney of the justice department. Mr. Elmore is in charge of the anti-trust prosecution of the Southeastern Underwriters Association in Atlanta and Mr. Gorman has been assisting him.

The commissions, signed by Biddle, state that the justice department is informed that the companies and organizations referred to "have violated in the southern district of New York and in other judicial districts the federal anti-trust laws," and that "you are hereby expressly authorized and directed to commence prosecution under these statutes against the above named parties and such other parties as may have participated in the violation of such statutes."

Civil or Criminal Proceedings

The commissions authorize either civil or criminal proceedings, or both, and grand jury proceedings if necessary. The latter point brings up the possibility that the anti-trust division may proceed here with the plan which it dropped at Atlanta, of calling a vast number of witnesses from the fire insurance business for questioning by the grand jury. Subpoenas were sent out prior to the Atlanta prosecution with this in view but when counsel for the defendants moved to squash the subpoenas the government withdrew them.

Concerning the government's move to extend the investigation to New York at this time, John T. Cahill of Wright, Gordon, Zachry, Parlin & Cahill, counsel for the S.E.U.A. in the Atlanta prosecution, said: "The fundamental question of whether fire insurance is subject to the philosophy of the federal antitrust laws, or, as we believe, to the regulatory powers of the 48 states, will be argued late this month on the demurrer to the anti-trust indictment returned last November by a federal grand jury at Atlanta. Until that question is settled it is difficult to see why further investigation is called for."

Fire insurance executives here are at a loss to account for the government's action in extending the investigation here without waiting to determine the outcome at Atlanta.

Asked why the investigation in New York was begun before the federal court at Atlanta had ruled on the applicability of the anti-trust laws to fire insurance, Mr. Elmore said that the government does not regard the Atlanta prosecution as a test case and that if any have looked upon it in that light it is their own assumption. He said that the government is investigating anti-trust violations and prosecut-

Scan Election Outlook for Commissioners

As the date approaches for the annual convention of the National Association of Insurance Commissioners at Boston, interest is arising in the probable election results.

When John A. Lloyd resigned as Ohio insurance superintendent to become vice-president of Union Central Life, a vacancy was created in the office of chairman of the executive committee of the commissioners' association. At a meeting of the executive committee in Columbus John B. Gontrom of Maryland was named as the new chairman. It is understood that Mr. Gontrom at that time indicated that he desired to serve only until the time of the annual meeting and that he put himself out of the running for vice-presidency at Boston. Commissioner Harrington of Massachusetts, presently the vice-president, is scheduled to move into the presidency. It is assumed that he will be reappointed as commissioner in his state.

If Mr. Gontrom does insist on stepping aside, it is believed that Newell Johnson of Minnesota would be strongly favored for election as vice-president. That leaves open the question of who is to become chairman of the executive committee. Commissioner McCormack of Tennessee will certainly be a contender. Jones of Illinois, is being mentioned, also Jordan of the District of Columbia.

The proposal is to be voted upon at the Boston meeting for the enlarging of the executive committee to include one representative from each of the six zones, he to be elected by the commissioners of his region, plus three members at large and the president, vice-president and secretary.

If that proposal is adopted, as seems likely, the complexion of the executive committee will probably be so radically changed as to upset political predictions. It might even mean that the new chairman would be a commissioner who is not now a member of the executive committee.

ing them wherever found and does not consider that there is any question of its right to prosecute fire insurance companies if they have violated the anti-trust laws.

As to why Aetna Fire was the only company mentioned by name in the commissions, the reason for this was that Aetna's name came first alphabetically on the list of companies and it would have made the commissions needlessly lengthy to have included all of them.

Firemen's May Join New F. I. A.

Other Western Sprinkled Risk Companies May Also Make Move

The fact that the annual meeting of the Western Sprinkled Risk Association is to be held in New York, June 26, instead of at the same place and time as the annual meeting of the Western Insurance Bureau has unusual significance. Discussions have been carried on looking to the participation of at least certain W.S.R.A. companies in the new national Factory Insurance Association. Firemen's is the leader in the W.S.R.A. and it appears that this company is likely to change over to the F.I.A. A number of the other W.S.R.A. companies also have been approached with the proposal.

The W.S.R.A. was created as a companion organization for the W.I.B. although the membership now comprises many of the non-affiliated companies as well as W.I.B. insurers. With Chicago headquarters it operates countrywide. Firemen's has 33% of the total liability of W.S.R.A. It is likely that if such a move is made it would come after the new Factory Association is actually put together and operating as a national unit. Any company retiring from the W.S.R.A. must give 60 days notice.

The idea of merging the Western Sprinkled Risk into the new Factory Association was reported upon at the last meeting of the executive committee of the W.S.R.A. by H. A. Clark, vice-president and western manager of Firemen's.

W.S.R.A. has been working in close conjunction with the Western Factory during the war days and there has been a good deal of sharing of liability on the bigger risks.

There probably will be a number of advantages to the W.S.R.A. companies in going into the larger organization. It would give the W.S.R.A. companies a better spread of liability and it would remove the problem of replacing participations should any of the W.S.R.A. members drop out of the pool. Since the new Factory Association will embrace such a very large proportion of all the stock fire companies, it would leave the W.S.R.A. without much opportunity to get new members. Northwestern National dropped out of the W.S.R.A. sometime ago and Dubuque F. & M. dropped out more recently.

It is unlikely that all of the W.S.R.A. companies will become F.I.A. participants.

Northeast Ohio Windstorms Cause \$2,500,000 Damage

Akron and Cleveland Hit; Hail Losses at Evansville, Ind., Will Cost \$600,000

One of the most destructive windstorms in the history of northeast Ohio swept parts of Cleveland, Akron, and some surrounding areas the evening of April 27 causing an aggregate insurance loss of more than \$2,500,000. There were apparently four storms which swept in off Lake Erie at about the same time, around 9 p.m. They were described by weather bureaus as not tornadoes but of tornadic force, and the wind reached a velocity of 80 miles an hour. On the same evening at Evansville, Ind., a heavy hail storm accompanied by wind caused an insurance loss of more than \$600,000.

Two of the Ohio wind storms came in over Cleveland at a high level. One dropped in back of Lakewood and ran along Lorain avenue to 56th street. This one did not cause extensive damage. The other hit the section known as "Cleveland southeast," and while the damage was spotty it was very severe.

Three Large Losses

The largest single insurance loss was suffered by the Newburgh works of American Steel & Wire Co., a U. S. Steel subsidiary, in Cleveland. The loss is estimated at almost \$500,000. One 600x250 foot roof was 75% destroyed. In Akron 21 buildings of Goodyear Tire & Rubber Co. were unroofed, and the steel decked roof of the new research laboratory was pulled off. The Goodyear damage, will be about \$200,000. At the B. F. Goodrich Co. 100 windows were smashed and one section of the de-icer and fuel tank department was knocked out, causing a total estimated insurance loss of \$175,000. There was considerable internal damage to these three plants due to heavy rainfall that accompanied the storm, and this added to the damage done to other buildings and homes.

Western Factory had the American Steel & Wire, Goodrich and Goodyear plants, except for half of Goodrich plant No. 1, which was insured in the factory mutuals. There will be substantial use and occupancy losses at Goodrich and American Steel. Goodyear did not have U. & O. coverage.

The factory mutuals figure their Ohio losses, including \$50,000 on the Goodrich plant 1, will total \$150,000. At Evansville, Ind., damage to the Servel plant will cost them about \$25,000.

Over 2,000 Cleveland Claims

Adjusters estimate that claims will number more than 2,000 in Cleveland. Other heavy losses were to the Cleveland Pneumatic Tool Co., Amalgamated Steel Co., Harold Manufacturing Co., and Republic Steel Corp. At the latter plant equipment for ore furnaces and steel framing for a power house were twisted by the wind.

The heaviest damage was in Akron. The storm was described as the most violent the city has experienced. It came in from the west, and cut across the south section of the city. Adjusters report that claims in and around the Akron area will number more than 4,500.

(CONTINUED ON PAGE 32)

THIS WEEK IN INSURANCE

- Brief of anti-trust division of Department of Commerce in S.E.U.A. case meets head on the question of whether insurance is commerce. **Page 2**
- Northeastern Ohio windstorms cause \$2,500,000 in insurance losses; hail at Evansville, Ind., will cost insurers \$600,000. **Page 1**
- At meetings in New York of committees on interstate rating in casualty and in fire insurance, it became manifest that the problems in the two fields are so disparate that a single formula cannot be devised that will be applicable to both. **Page 1**
- Most assured are paying double rates for U. & O. insurance without the endorsement rather than paying the old rate and accepting restrictive conditions. **Page 2**
- Some companies writing almost entirely recording fire business are entering the farm insurance field. **Page 4**
- In a surprise move Department of Justice launches anti-trust investigation of fire companies in New York. **Page 1**
- Insurance commissioners' association sets up an office in New York to handle security valuation work which was previously done by Moody's Investors Service. **Page 12**
- Insurance Accountants Association drafts recommendation for drastic revision of the annual statement blank. **Page 3**
- Hartford Steam Boiler makes another drastic reduction in boiler and machinery rates. **Page 21**
- Association of Casualty & Surety Executives submits to New York Compensation Rating Board and National Council a new program for graded commissions and expenses on risks producing premiums of \$1,000 and more. **Page 21**
- Insurance industry spring banquet held in Pittsburgh. **Page 4**

Advertising Men Hold Key to Future

Wade Fetzter, Jr., Gives Thought Provoking Address at IAC Parley

NEW YORK—Because of the potential significance of advertising to the insurance business now and in the future, insurance advertisers should not make little plans, Wade Fetzter, Jr., of W. A. Alexander & Co., Chicago, said in his talk before the Insurance Advertising Conference here. Charles E. Freeman of Springfield Fire & Marine, head of the IAC, presided.

In his thought-provoking address Mr. Fetzter stated that the supply of insurance has in the past 15 years reached the level of demand, and that except for the war, insurance has entered permanently a period when it is the buyer's needs and desires that will rule the market. Because of this fundamental change in the relationship of insurance to human and property values, the business now is faced with the necessity of doing things it has not done before, things on which other businesses have spent vast sums, such as advertising, research, public opinion studies, market potentials, etc. This is a part of the task of insurance advertising men which is so potentially significant to the insurance business that it should challenge those advertising men to the formation of plans big enough to stir the imagination and get the job done.

When Mr. Fetzter first entered insurance and heard the expression that insurance is never bought but always sold, he could not bring himself to believe it of anything as thoroughly good as insurance. He found that the only selling that took place in insurance was point of contact selling, whereas nearly all other lines of business devoted a great deal of effort and money to preparation of the customer before the point of contact sale. Most insurance advertising that had been done involved perhaps one or two impressions only, whereas the fundamental principle of advertising is the cumulative effect of regular impressions over a long period of time. His own agency's advertising program of ten mailings per year to the same list year after year represents its attempt to disprove the theory that insurance is never bought. While this is a small program, he said, it has convinced him that the "always sold" theory is a fallacy and that if insurance uses the same method of advanced preparation that other businesses have found successful it too can thoroughly break down the resistance to insurance and cause people to want to buy it without having to wait until a salesman comes and forces it down their throat. It is a long way to that point at present, but it is an objective that can be reached.

Security is one of the most fundamental of human instincts, "and here we are, with the world clamoring for four freedoms, in the business of supplying two of those four—freedom from want and freedom from fear," Mr. Fetzter asserted. With a great demand and a great supply insurance is assured of a great future, he said.

However, Mr. Fetzter warned, although the insurance business may continue to be a great one, individual units within it, whether agents, brokers, companies or departments, may dry up and disappear, if they only partially serve the public interest. As the public has a

(CONTINUED ON PAGE 34)



C. E. Freeman

Government Brief Meets Commerce Issue Head On

The federal district court at Atlanta has postponed the date for argument on the Southeastern Underwriters Association's demurrer to the federal antitrust indictment from May 3 to May 25. Before that date counsel for the S.E.U.A. will file a reply brief to the government's brief filed April 26 in answer to the S.E.U.A.'s brief in support of its demurrer.

Those who have studied the antitrust division's reply brief, which was reported in last week's issue, are impressed with the fact that it does not sidestep the S.E.U.A.'s contention that insurance is not commerce but meets the issue head on, battling the S.E.U.A. on its own ground and only incidentally relying on the doctrine that even purely intrastate activities have been held by the U. S. Supreme Court to come under the Sherman antitrust act if they affect interstate commerce.

Sets Up Broad Concept

However, rather than attempting to show that insurance legally and technically conforms to some accepted definition of the term "commerce" the brief sets up a broad concept of what constitutes commerce, citing numerous decisions of courts and other authorities for this concept, and then attempts to demonstrate that the place of insurance in all this is such as to necessitate its being considered as an integral part of commerce.

In fact, the government goes so far as to concede that even though contracts of insurance in themselves might not constitute interstate commerce "the business of dealing in fire insurance, as conducted by the defendant fire insurance companies, is interstate commerce."

At another point, after citing considerable data to show the interstate operations of the insurance business, the brief states that:

"Such streams of business intercourse, ever flowing from one part of the country to another, are in their very essence the commerce among the states which historically it was one of the chief purposes of the constitution to bring under national jurisdiction and protection. This purpose should not be defeated by an overly nice and technical inquiry into isolated incidents and facilities of the business, intrastate in character, considered alone and without reference to their association with the general stream of which they are a subordinate, although perhaps essential part."

Cites National Board's Head

In support of its concept of insurance as "an economic good," the brief quotes R. P. Barbour, U. S. manager of Northern, England, who said in his presidential address at the annual meeting of the National Board last year that "fire insurance is among the most universal of created commodities. . . ." The brief also contends that Justice Field, in the Paul vs. Virginia decision, placed undue emphasis on the mere delivery of a policy as the essential act of an insurance transaction and points out that "undoubtedly such delivery may mark the commencement of the contractual obligation

thereby assumed but the policy merely evidences the transaction of insurance, which, conceivably, could take place without either written contract or delivery thereof."

In support of this the brief quotes the recent U. S. Supreme Court decision involving the Warner reciprocals: "The actual physical signing of contracts may be only one element in a broad range of business activities. Business may be done in a state although those doing the business are scrupulously careful to see that not a single contract is ever signed within the state's boundaries. Important as the execution of written contracts may be, it is ordinarily but an intermediate step serving to tie up prior business negotiations with future consequences which themselves are the real object of the business transaction."

The brief states that "when men engaged in a business for profit descend into the market place, bearing an economic good, whether tangible or intangible, for sale to the public, it ill becomes them to argue that they do not thereby engage in commerce."

DRAWS ANALOGY

Contending that in recent decisions the Supreme Court has "infused a vigorous and realistic philosophy into its construction of the commerce clause," the brief emphasizes that one element which has been common to all these decisions is the court's insistence that the prime requisite for a finding of interstate commerce within the scope of the commerce clause is that of interstate intercourse or communication.

The brief then cites decisions dealing with telegraph lines, the telephone, radio broadcasting, transmission of lottery tickets from one state to another; transmission of correspondence school instruction from state to state through the mails; transmission of news dispatches from state to state by the Associated Press; the passing of persons from state to state merely as tourists, or for pleasure, or for immoral purposes; and banking operations involving interstate communication.

"Insurance Also Commerce"

If all these are held by the Supreme Court to be interstate commerce "then certainly it is logical that the business of fire insurance is also interstate commerce," the brief contends, adding that "to hold otherwise would make a fetish of language embodied in a fallacious dictum arising from a basic misconception of the nature of the fire insurance business and the scope of the commerce clause. It would lay a dead hand upon the sound development of American jurisprudence and defy the profound statement of Mr. Justice Holmes that 'commerce among the states is not a technical legal conception but a practical one arising from the course of business.'"

Even if insurance were neither interstate nor commerce the Sherman act would still apply to its activities, the

(CONTINUED ON PAGE 34)

U. & O. Is Now Easier to Place

Most Assured Are Selecting the Double Rate Alternative

NEW YORK—A number of companies have advised their agents, where the latter have requested clarification, that they will not refuse payment under use and occupancy contracts for additional delays due to restrictions of the War Production Board's order L-41 except where policies carry the recently promulgated endorsement eliminating liability for this type of delay. That is, these extra delays would be covered for policies already in force as well as on those written since it became necessary to add the limiting endorsement or else charge 100 percent extra premium.

It has been noticeable that the relatively few U. & O. risks written since the change went into effect have virtually all paid the 100% extra charge rather than risk delays due to priorities restrictions. Apparently those businesses not engaged in war work are very much afraid of priorities delays. On the other hand, war plants which might presumably get back into production even more quickly than normally are likely to be in the excess profits bracket and therefore are paying the extra premium with 10-cent dollars and there is little reason for them to take even a remote chance on a delay due to priorities.

Underwriting Eased

One effect of writing U. & O. only with the endorsement or at a 100% premium advance is that companies are reported to be more willing to take U. & O. on its merits rather than accepting it only on condition of getting the property damage business either in its entirety or in the same proportion as the U. & O. Also it will presumably be easier to get larger lines placed.

Producers have been having considerable trouble getting large risks placed where they are not eligible for the Factory Insurance Association. Sometimes it has been necessary to shop a case around among 50 or more insurers before getting it fully covered. Size is, of course, not the only factor in making a risk hard to place, others being the hazard of loss and the likelihood of abnormal delay in repairing after a loss.

Plan Chicago Headquarters for Commissioners

A headquarters for commissioners and camp followers passing through Chicago en route to the commissioners convention at Boston will be maintained in Hotel La Salle, Chicago, June 5 up to train time in the afternoon, Arthur Smith, Illinois deputy who is chairman of a special committee on this activity, announced this week. The headquarters has been maintained for a number of years.

Many who will go to Boston are planning, Mr. Smith said, to take the New England States train over the New York Central system leaving Chicago at 1:30 p. m., central war savings time, June 5. Reservations for space on this train should be received three weeks in advance. If the number is sufficient special accommodations may be provided.

The headquarters in Chicago serves as a gathering place for the various contingents arriving from different sections of the country. At Chicago these groups will join and proceed together.

Mr. Smith is in charge of the Chicago branch office of the Illinois insurance department.

Crowell & Co. Named by Seaboard

D. C. Crowell & Co., El Paso, Tex., has been named general agent in New Mexico for Seaboard of Maryland.

Illinois Fire and Marine Totals

The Illinois insurance department this week released a recapitulation of totals from annual statements of fire and marine stock and mutual companies and interinsurance exchanges. The totals of premiums and losses in 1942 were:

	Surplus as Regards Policyholders (Including Capital Stock)	Net Direct Premiums Written	Net Premiums Written	Net Losses Paid
Domestic Stock Companies.....	\$ 7,290,836	\$ 1,095,415	\$ 954,231	\$ 399,219
Other State Stock Companies.....	1,232,968,084	61,161,846	58,758,080	26,588,998
Foreign Companies.....	119,481,914	6,963,260	7,723,529	3,290,865
Domestic Mutual Companies.....	9,558,426	4,292,817	2,853,135	1,182,957
Other State Mutual Companies.....	103,844,402	5,792,437	7,071,108	1,093,617
Domestic Reciprocals (Fire).....	2,135,876	204,059	204,059	67,416
Other State Reciprocals (Fire).....	9,000,495	271,107	242,571	43,889
Farm Mutual Companies.....	2,921,836	1,887,301	1,197,469
Aggregate	\$1,488,201,873	\$79,780,943	\$79,694,018	\$33,864,433

Recommend Drastic Overhauling of Statement Form

Accountants Body Proposes Dividing Blank Into Two Sections

NEW YORK—Companies would file their annual statements in two sections, the deadline for the second being considerably later than for the first, if a proposal which the Insurance Accountants Association has worked out is adopted by the National Association of Insurance Commissioners. Since the final details were not evolved in time to get the proposal on the agenda of the blanks committee meeting which was held this week, the plan will not come before the commissioners for consideration until the December meeting.

The first section, which would be due on March 1, as at present, would contain a simplified and more logically ordered version of the financial and underwriting material that now appears on the first 11 pages, except that it would omit the exhibit on page 9 covering business in the state in which the statement is being filed. This section could be prepared quickly and easily, for it would be only a slight amplification of the financial statements which all companies prepare for their January or February directors' meetings.

Smaller Page Size

Unlike the present standard blank, the proposal calls for putting this part of the statement on pages approximately 8½ by 14. The second section would contain the material now shown in the remainder of the statement, mainly the supporting schedules. It is these schedules that take so much time to prepare that it is difficult to meet the March 1 deadline even in normal years. It would have been impossible for many companies to file their statements on time this year, with wartime help shortages, if the commissioners had not given a 60-day respite on filing the supporting schedules. Section two would continue the present page size.

Delay in State Figures

The figures on page 9, covering business in the states to which the statement is being submitted, would be filed as a separate report or as part of the tax report, under the proposal. Since page 9 is, of course, different for every state in which a company does business its preparation takes considerable time in the aggregate. For this reason many companies filed their statements with page 9 left blank and the notation that it would be sent in later. Technically this was a failure to meet the states' filing requirements, since page 9 was not included in the special dispensation covering the supporting schedules but insurance departments recognized that the delay was due to the help shortage. Quite a few companies were several weeks late in filing their page 9 figures.

Some Figures Worthless

The association strongly advocates the complete elimination of the figures on page 9 showing business written and canceled in the course of the year in terms of the amount of risk. These figures take up room on punched cards and have no value whatever because they cannot be made to reflect the length of time the business was at risk.

WDC Cover on M. & S. \$2½ Billion

Aggregate liability of War Damage Corporation on policies issued under its money and securities program in the U. S. was \$2,456,669,000 on March 31, according to figures released by Jesse Jones, secretary of commerce.

The total liability on the money coverage was \$237,658,000, divided as follows: Coverage A, within preferred vault at specified locations, 40%; coverage B, within a safe or vault at specified locations, 13%; coverage C, within any specified premises, 30%, and coverage D, while in transit, 17%.

The \$2,219,011,000 of liability on securities was divided: Coverage A, 77%, B, 3%, C, 9% and D, 11%. Total liability was divided: A, 73%; B, 4%; C, 11% and D, 12%.

Total net premiums collected by WDC under money and securities policies up to March 31 was approximately \$405,000.

The ten cities having the largest concentration of liability are:

New York	\$837,863,000
Boston	136,841,000
Philadelphia	129,024,000
Baltimore	95,477,000
Newark	62,932,000
Detroit	61,479,000
Los Angeles	53,087,000
Chicago	44,585,000
St. Louis	40,997,000
Providence	30,106,000

For example, a million dollar risk written on the last day of the year looms just as large as if it were written on the first day and the company had been on the risk for an entire year. Or if it had been canceled on Dec. 30 it would reduce the company's apparent net amount of business written even though the company had earned a full year's premium on it.

Other recommendations include revising the schedules so that the items are in a sequence that conforms with the order in which the required data are found on the company's ledgers; a better spacing of columns to assure enough room for entries which may be expected to run into big figures; and the complete elimination of all reinsurance schedules, since practically all states are now on a direct basis.

The association is beginning now to gather samples of all supplementary reports which the different states require with a view to seeking the elimination of as many as possible and standardizing those that cannot be eliminated, thus reducing the number of separate operations.

It is interesting that committees of the American Life Convention and Life Presidents Association have prepared a suggested drastic revision of the life blank.

The commissioners blanks committee

Buyers Parley in N. Y. May 25-26

AMA Insurance Division to Concentrate on Basic Principles

NEW YORK—The insurance division of the American Management Association will hold a two-day conference at the Hotel New Yorker May 25-26.

The sessions will place emphasis upon the everyday problems of insurance buying, rather than upon such topics as war damage insurance, plant production, insurance in government contracts, etc. At meetings of the division in the immediate past discussion was devoted to these war-related subjects while the forthcoming gathering will be concerned with basic principles of insurance management.

The conference will cover such subjects as: the building of a company insurance program; insurance coverage and loss adjustment; and the revised New York State fire policy.

Coverage and Loss Adjustments

The entire first day of the conference will be devoted to a panel discussion on "Insurance Coverage and Loss Adjustment." Reginald Fleming of Marsh & McLennan, vice-president of the division, will preside. Members of the panel will be: I. M. Carpenter, Ebasco Services, Inc.; Raymond H. Lord, Manufacturers Mutual Fire; H. C. Klein, New York Underwriters; Philip Winchester, Fire Companies' Adjustment Bureau; T. Y. Beams, Royal Indemnity; Daniel L. Royer, Ocean Accident, and Clement L. Despard, Despard & Co.

Another panel will take place the morning of May 26, at which a group of insurance buyers will discuss "The Development of an Insurance Program." Ralph Blanchard, Columbia University, will be chairman of the panel whose members will be: Paul Schindler, Youngstown Sheet & Tube Co.; W. A. Sullivan, Loose-Wiles Biscuit Co.; Kenneth C. Bell, Chase National Bank; Henry Anderson, Paramount Pictures; A. P. Lange, Hale Bros. Stores; H. L. Wiggers, Procter & Gamble.

Papers at Concluding Session

Three papers will be given at the concluding session: "Operation of the Underwriters Laboratories," by Alvah Small, president; "New Forms of Insurance in the Post-War Era," by Henry Kleinsmith, New York insurance department, and "The Revised New York State Fire Policy."

this week recommended that the listing of gross risks on page 9 be abandoned.

3-Year P.P.F. with \$25 Deductible Is Big Seller

Agents Push Contract as Real Bargain—Cuts Renewal Premiums

A decline in personal property floater premium is observed by some of the marine departments. One such executive detected a rather abrupt drop commencing about March 1 and this he attributes in part to the effect of the income tax. He finds that a number of assured have dropped their personal property floaters and are going back to straight fire insurance.

However, if there is a general decline in the business it is probably attributable mainly to the new three-year installment setup and the increased popularity of the deductibles, particularly the \$25 deductible. It has become quite a saying that the biggest bargain in the insurance business today is the personal property floater on a three-year basis with a \$25 deductible. The cost is only a little more than half of the non-deductible form and the deductible applies only to what might be termed secondary losses. A great number of policyholders upon renewal are buying the deductible form.

Few of the marine companies are segregating their experience as between the deductible and full coverage personal property floater business and unless that is done it will be difficult to ascertain whether the saving in secondary losses under the deductible form will compensate for the greatly reduced premium. The companies are glad to be rid of the bother of handling the multitude of two, three, four and \$10 claims but it is a question whether those claims have been consuming 40 or 50% of the premium.

The use of the three-year installment program has introduced some complications in accounting systems for the companies. Each insurer has had to work out a detailed method of harmonizing its entries in respect of premiums written, commissions, interest, unpaid balances, etc. It appears to be the general practice to put up the premium reserve on a full three-year basis initially just as if the premium were paid at the outset, even though there is collected the first year only 50% of the three-year premium.

Some of the marine people say that the sales of luxury lines are less active. A good many people are putting their jewelry in safe deposit boxes for the duration and dropping coverage. Camera floater business is dull because with the scarcity of film and the inability to get flash bulbs except with priorities many amateurs are compelled to sacrifice their hobby. When the camera is kept in the home without being used there seems to be less incentive to insure.

Keating Auto Claims Head

NEW YORK—More than 100 attended the annual dinner and entertainment of the Automobile Claims Association. The organization recently held its annual election, the officers now being E. C. Keating of Great American, president; E. J. Moran, London Assurance, vice-president; K. C. Maines, Appleton & Cox, secretary, and Thomas Hunter, North British, treasurer. All were reelected except that Mr. Hunter was elected to succeed T. L. Cartledge, who is now in the merchant marine.

Scenes of Ohio Windstorm Damage



The above pictures give a general impression of the havoc wrought by the windstorm in northeast Ohio last week. At the top left is shown a dwelling in Akron; top right, dairy barn near Mogadore; lower left, dwelling near White Pond, Summit county; bottom center, debris from farm barns located in Johnny Cake Hollow, Portage county; bottom right, row of frame dwellings in Mogadore. (Pictures courtesy George S. Valentine, Sr., Ohio Farmers.)

More Companies Eyeing Farm Field

Offices Writing Only
Recording Business See
Rural Allurements

It is noticeable especially in the great farm insurance states of the central west that some companies that have confined their operations to recording business are edging in on the farm field or contemplating so doing. This is due largely to the fact that field men are being pressed for business and have about exhausted their resources but suggest that if farm business could be written they could tap some valuable sources.

The farm business just at present is particularly alluring. The farmers are making money. Everything that they have to sell brings a good price. Moral hazard is almost eliminated. No farmer today wants to burn out. He would find difficulty probably in getting building materials and labor to make repair.

President W. N. Achenbach of the Western Underwriters Association at its annual meeting sounded a note of warning to companies outside the Farm Underwriters Association. As to the danger of getting away from underwriting rules and regulations as set down by the organization as being safe, companies belonging to the Western Underwriters Association can pay 25% flat commission for cash business or 20% where notes are taken. It has long been held by the important farm writing companies that unless a company has a regular farm department and an experienced farm underwriter there is grave danger of becoming involved in a high loss ratio when the tide turns and the prices of farm products decline.

The bottom fell out of the market following world war No. 1 and moral hazard showed itself in an alarming manner. This caused the Farm Underwriters Association to take drastic steps. Much business was canceled, values were scaled and insurance accordingly. The main rule to follow in farm underwriting is to keep the values down to a conservative basis and insurance correspondingly. Then farm business requires experienced inspectors to keep in touch with it. Furthermore, trained farm underwriters, require a spread so that they get a chance at all the farm property live stock and products. Companies doing only a recording business might enter the farm field at this time and owing to inexperience accept business on a basis that Farm Underwriters Association companies would not approve. It might result in disaster later on.

Royal-Liverpool Offices in Toronto Are Merged

TORONTO — James Matson, manager for Canada of the Royal-Liverpool groups, announces that to overcome difficulties arising out of wartime conditions and to provide adequate and efficient service to agents and insured, the offices here of Royal and Liverpool & London & Globe, now under separate management, are being combined under the management of F. S. McDermott, formerly L. & L. & G. manager in Toronto. He will be assisted by A. F. Glover, B. A. Carey, H. E. Cornell and F. O. Reddrop as assistant managers.

F. L. Flight, manager of Royal in Toronto, will be transferred to Montreal as secretary, handling duties arising out of postwar reconstruction.

W. L. Dawes Resigns Coast Post

Walter L. Dawes, manager of the marine department of Fire Association in San Francisco, has resigned and is expected to announce a new connection soon.

Frankel New President of Cleveland Board

CLEVELAND.—Henry Frankel of Frankel Brothers was elected president of the Insurance Board of Cleveland at the annual meeting. John W. Barrett of the Richey-Barrett Company was named vice-president. S. J. Horton continues as executive secretary.

New trustees include John L. Meyer, Brooks & Stafford Company; Henry



J. W. Barrett



Henry Frankel

Frankel; T. W. Lenihan, Lenihan & Co., and W. H. Levering, Levering agency.

E. B. Berkeley, head of the Cleveland Insurance Agency and retiring president of the Cleveland Board, gave an extensive report of conditions and of the past year's activities in his annual president's address.

DPC Issue to Department

Mr. Berkeley spoke with resentment of the anti-trust action of the Department of Justice in Atlanta. Elimination of local self government insofar as insurance regulation is concerned would be a blow to everyone in the business, he declared.

Mr. Berkeley expressed the belief that the Defense Plant Corporation episode is not ended. He referred to the rumors that the RFC is considering a self insurance plan for wholly owned properties and materials. As to the special 10% rate reduction for DPC risks coupled with a limitation of agent's commission to 5%, he said that the subject has been in the hands of the Ohio insurance department and has probably been referred to the attorney general. The Ohio Association of Insurance Agents has asked Superintendent Crabbe whether the procedure contravenes the Ohio law and involves a violation of the anti-rebate and anti-discrimination laws.

The Cleveland Board, he said, has sought to recruit field men, engineers and local agents as inspectors of war facilities.

Many in Uniform and War Plants

About 60 members and associates of the board are in the armed forces and about 75 are working in war industries. The temporary arrangements that have been worked out for handling their business have proved successful. George E. Winters has been employed for a further period of six months as public relations counsel.

Further meetings are being held on the question of the applicability of the 48-hour week to insurance offices. Mr. Berkeley, who is also president of the Ohio Association of Insurance Agents, stated that a new secretary has been employed to take the place of Ray Martin, but he did not name him.

In connection with the new dwelling form that provides off premises coverage of 10% with a top limit of \$1,000, he mentioned that the question has been raised whether the form becomes virtually a tourist floater policy.

The forms committee continues to be interested in the subject of a separate item for foundation facilities. A movement in the legislature to correct the cellar and foundation clause in the valued policy form may result in some further opportunity for improvement.

North Launches Public Relations Drive in Pittsburgh

By C. D. SPENCER

PITTSBURGH.—Pittsburgh's drive for funds for the National Association of Insurance Agents' public relations program was launched at the Insurance Industry Spring Banquet of the Pittsburgh association by David A. North, New Haven, Conn., president National association. John B. Ladley, Pittsburgh association president, urged cooperation and told of plans for an extensive membership drive.

Nearly 400 attended the dinner which also served as a substitute for the annual Insurance Day program which has been cancelled during wartime. There were a large number of company men present and the heads of various Pittsburgh associations were represented at the speakers' table.

The award of a \$50 war bond to A. W. Pardew, W. W. Flanagin agency, as



J. B. Ladley

Change in Vermont Insurance Dept. Takes Place

Reginald T. Cole has resigned as Vermont commissioner of insurance and banking to become comptroller of the Howard National Bank & Trust Co. of Burlington. He has been insurance commissioner since 1941, and although he has been principally interested in the banking field he has given some personal attention to insurance. However, the insurance supervision in the department has been mainly exercised by Albert D. Pingree, deputy commissioner. Mr. Pingree has been named acting commissioner. He expects to enter army service shortly, however, and a further announcement is expected.

Drop Cal. Quarterly Statements

SAN FRANCISCO—California home companies need no longer file quarterly financial statements unless they are specifically requested to do so by Commissioner Caminetti.

In a bulletin to the companies the commissioner said he was aware of the personnel shortages in the accounting and statistical departments as a result of war demands and therefore he was abrogating the quarterly statement requirement until further notice.

costing and is going to cost this country a lot of money. It has expressed itself in legislative and bureaucratic moves which could very seriously damage the whole insurance industry and, by making drastic inroads into the earning power of insurance agents throughout the country, make it impossible for them to continue to render the kind of service which buyers of insurance must have. The end of that road can be easily imagined.

Improve Present Position

"So—we are going to move aggressively, not simply to hold our present position but to improve it. We are going to seek the security of public confidence, understanding and respect, but we are also going to seek the positive advantages of such confidence," Mr. North declared.

A forceful talk was presented by Ralph C. Hutchinson, president of Washington & Jefferson College and executive director Pennsylvania Council of Defense, which fitted into the program particularly well because he emphasized the need for consideration of the rights of the individual as contrasted with good of the whole. Unrestrained freedom of the individual has brought about a reactionary movement. It now not only is essential to win back freedom for the individual but to be worthy of it, he said.

It is particularly important that insurance men discuss their common problems today, as it is necessary to prove the value of their services, Mr. Ladley pointed out.

Pays Tribute to Business

The toastmaster, J. R. Dickie, Pittsburgh attorney, paid tribute to insurance's successful participation in the war effort. He pointed out that the public judges insurance by its representatives so that public relations boils down to "your relations."

Commissioner Neel was introduced and he thanked the Pittsburgh group for the testimonial which was tendered him earlier in the year. He told of his conferences with other insurance commissioners and pledged an efficient administration.

Clarence H. Alexander, McCandless, Collingwood & Alexander, general chairman, and his committee had everything running in smooth order. The Insurance Women of Pittsburgh sold war bonds and stamps.



ANDREW W. PARDEW

winner in a contest for the membership drive slogan was announced by R. J. Cook, "Bulletin Index," chairman of the judges. "Preserve the American agency system—keystone of American free enterprise" was the slogan which is displayed with one "American" appearing in large type in the center instead of being repeated twice.

Preview of National Meet

Mr. North stated that he felt his appearance was sort of a preview of the National association's annual meeting which is to be held here in the fall. Although the National association is confronted with many problems, they are all so wrapped up with public relations, Mr. North said he feels that it is the primary objective at the present time.

Much progress is being made in the \$300,000 public relations fund program, Mr. North reported in emphasizing the unanimity behind the project. Instead of formulating a public relations program, it was decided to first get a financial vote of confidence. The immediate cause of the greater interest in public relations is the "widespread misunderstanding, perhaps especially in governmental circles, of the role played by the insurance producer, a misunderstanding which, in our opinion, is

Alabama Agents Are Holding Annual Parley

BIRMINGHAM, ALA.—The Alabama Association of Insurance Agents has rounded out one of the best years in its history, according to the administration report of President Ed H. Moore at the annual convention here. The year marked the employment of a full time manager, incorporation of the association, and an increase in membership of 42% that brought the total to 227.

Mr. Moore said that the successful short course school held last year at the University of Alabama could not be repeated because the university now is given over to military training. The Birmingham association has inaugurated an educational study course and that such courses are planned in other cities.

Sees New Era of Progress

Two new local boards were established during the year, those at Anniston and Troy, making a total of 10 in the state, Mr. Moore said. Local boards are planned in a half dozen other cities. During the year eight regional meetings were held with President Moore and Manager M. R. McGruder as speakers. H. P. North, assistant director of the Business Development Office, attended four of the sessions.

Mr. Moore said the reformation of the National association and the inauguration of the public relations program "should bring us into a new era of progress and establish our agency business as an essential function and a service of the highest integrity in the mind of the public." The N.A.I.A. is now in a better position to serve its members and protect the American agency system, he said.

Mr. McGruder in his report noted the increase in membership and said the association is in good position to win the national prize for increase. The association hopes to increase membership to 300 with 350 as the probable saturation point. Membership now represents 75% of the stock fire premiums written in the state, he stated.

Resolutions of regret were passed at the convention on the death of R. W. Forshay of Anita, Ia., immediate past president of the National association, and on the death of Fred Hawkins, Alabama Fieldman's Conference.

Big Loss at Elkton, Md.

The blast at the Elkton, Md., plant of Triumph Explosives which killed 13 and injured 60 was covered by insurance for workmen's compensation, general liability and property damage but was not reinsured in the munitions pool. Presumably the risk was reinsured abroad.

Jacoby Joins Morrison & Co.

John R. Jacoby has joined Morrison & Co. general agency, Omaha. Mr. Jacoby has acquired an interest in the firm and becomes vice-president in charge of the casualty department. Mr. Jacoby has had valuable experience and is well versed in casualty business. He has been with Travelers Casualty in Iowa and Nebraska for the past ten years.

John P. Dahl, field man for Morrison & Co., has been commissioned an ensign in the navy air corps.

Seamen's Policies Broadened

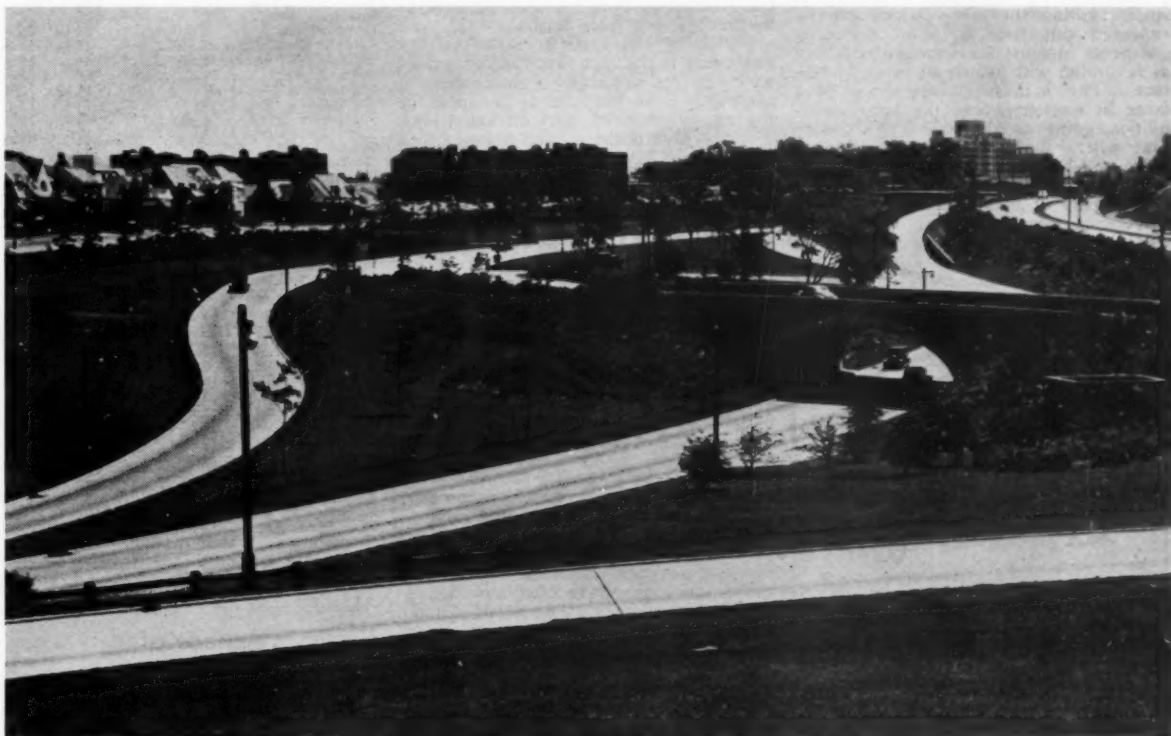
The War Shipping Administration has widened its coverage for seamen's policies to include death, disability and loss of personal effects from marine as well as war risks. Percy Chubb, director of WSA's Division of Wartime Insurance, has announced that this will afford insurance coverage on the form

set forth by the Maritime War Emergency's Board's decision, but as WSA is not responsible for marine insurance as distinct from war risk insurance, relating to time chartered vessels, the cost of the extended coverage will be for the account of the owners. He said further that an equitable rate base for such coverage is being considered and owners will be advised within 30 days and given an opportunity to remit premium for such coverage within that period in order to make the insurance effective.

Huge Loss in New York City Is Narrowly Averted

NEW YORK—Insurance companies narrowly averted a loss on huge proportions under extended coverage and plate glass policies when a burning ammunition ship was promptly towed from its pier at Bayonne, N. J., by the New York City fire department and scuttled at a safe distance from the city by the department. One group of fire companies bought extended coverage for its home office building when it was discovered

that it was only carrying fire insurance. Many in New York City recalled the Black Tom disaster of 1916 which caused considerable glass loss here and the explosion of a French ammunition ship in Halifax harbor in 1917 which killed 1,800, wounded 8,000, razed buildings up to a distance of a mile and three-quarters away and broke glass 61 miles away. Insured plate glass in the New York City area alone is valued at \$30,000,000. Damage to property would have been great if the explosion had occurred and the insurance loss severe, as extended cover is so widely carried.



Thin Traffic . . . Curtailed Commissions?

DID YOU ever stop to realize that the first year commission alone on a \$10,000 ordinary life policy in the New England Mutual will often be as much as you receive for insuring 15 or 20 cars?

If your income has been largely derived from automobile liability, property damage, fire and theft insurance, why not build it back to normal with LIFE insurance?

You don't have to become an actuary to sell life insurance. Among your regular customers,

there are bound to be a number who need different types of life coverage.

Go over your list with our nearest general agent. He is trained and experienced . . . will provide the "know-how" to help you make sure that your client gets the proper program.

Get in touch with the New England Mutual general agent in your city . . . or write to Wm. Eugene Hays, Director of Agencies, at the Home Office in Boston.

Why not take care of this today?

Let us help YOU to a new source of income through . . .

New England Mutual
Life Insurance Company of Boston

George Willard Smith, President

Agencies in Principal Cities Coast to Coast

THE FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA—1885

Hail Season Starts Off Briskly; Prospects Good

The hail writing season has started off auspiciously, with all companies reporting gains of about 20% in business as compared with the same period last year. About the only dark spot at present is Oklahoma where the green bug has done much damage and hail business in that state is below what it was a year ago. Despite the usual run of stories killing the crops which can be expected this time of year, the crop prospects in most sections are regarded as favorable with plenty of subsoil moisture. The hail specialists draw long faces in contemplating the loss probabilities, going on the hail man's theory that where there has been much rain there will be much hail.

There is very little practical interest on the part of hail insurance people in whether Congress puts an end to the Federal Crop Insurance Corporation or not. When crop prices are high, the hail men have found, FCIC constitutes little, if any, competition to private hail insurance, because the amount of coverage granted by FCIC is relatively small

and the farmers who buy the federal crop cover are eager to supplement it with private hail insurance. During the first two years of the FCIC, when crop prices were low it was felt that the hail business suffered but since then operations of FCIC have not been a factor. Moreover a great many of the farmers in the fertile areas have never evinced much interest in federal crop insurance. It has been mainly attractive to farmers in the semi-arid territories.

A real indication that the farmers have cash is the fact that an exceptionally large proportion of the business is being written for a cash premium and the amount of note business appears to be much lower than normal.

Reflecting the earnestness of victory gardeners is the fact that the companies have received applications to insure such gardens. Such business is declined for the newly inspired agriculturalist, but it is accepted if the garden belongs to a farmer who insures other crops against hail.

Aetna Fire Group Now in Own N. Y. Building

The New York department offices of the Aetna Fire group are now installed in their own building at 100 William street, moving from offices at 89 Maiden Lane, occupied for 15 years.

The various underwriting departments are on the ground and second floors of the 13-story building and its 17-story annex at 100 William street. The two floors have been remodeled and renovated since the property was taken over by Aetna over a year ago, and now afford convenient quarters in the heart of New York's insurance district. The new offices will provide about 40% more space than the company had at its former address. The "100 William Street" property has long been identified with the city's insurance interests and in years past has served as metropolitan headquarters for many of the country's leading companies.

Aetna has been doing business in New York City for 117 years. A series of local agents was finally succeeded in 1874 by the establishment of the New York City branch office. On the retirement last year of Vice-president Joseph W. Russell, management of the New York department was taken over by Secretaries Ashby E. Bladen and Harold J. Kiefer, who had been associated with Mr. Russell.

Old timers in the business recall that that the 100 William street building housed the Drug & Chemical club from the time the club was organized in 1897 until 1926, when it moved to quarters in the new National Board of Fire Underwriters building at 85 John street.

Standard of New York will now be housed with the other members of the Aetna Fire group, moving from its former location at 80 John street.

H. E. Moore Heads Brokers' National Association

H. E. Moore of Boston has been elected president of the National Association of Insurance Brokers. H. G. Sawtelle of St. Louis becomes vice-president; Alex Goldberger, Brooklyn, secretary, and E. S. Litchfield, Boston, reelected treasurer.

F. P. Lavin of the Illinois Brokers Association was advanced from vice-president to chairman of the executive committee.

Iowa Approves New Forms

DES MOINES, IA.—The Iowa department has approved the 80-20 collision form which was filed by the National Automobile Underwriters Association. The form has been used in Iowa by non-bureau companies for some time.

The department also approved the new dwelling and household furniture form 49 and a skeleton form for the agent to attach to his daily report.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business May 3, 1943.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	129	134
Aetna Fire	10	1.80*	55	57
Aetna Life	10	1.40*	33	34 1/2
Amer. Alliance..	10	1.20*	22	23 1/2
Amer. Equitable	5	1.00	19 1/2	21
Amer. Home....	10	...	9 1/2	10 1/2
Amer. (N. J.)...	2.50	.60*	14 1/4	15 1/4
Amer. Surety...	25	2.50	54	56
Automobile	10	1.40*	38	40
Balti.-Amer....	2.50	.40*	7 1/4	7 3/4
Boston	100	21.00	590	610
Camden Fire...	5	1.00	21	22
Contl. Cas.	5	1.50*	37 1/2	38 1/2
Contl. N. Y....	2.50	2.20*	48 1/2	49 1/2
Fidelity-Phen...	2.50	2.20*	49	50
Fire Ass'n.	10	2.50*	66	68
Firemen's (N.J.)	5	.40	11 1/2	12 1/2
Fireman's Fund	10	3.00	77	79
Franklin Fire..	5	1.40*	27 1/2	29
Gen. Reinsur...	5	2.00	47	49
Glens Falls....	5	1.60	41	43
Globe & Repub.	5	.50	9 1/2	10 1/2
Gt. Amer. Fire.	5	1.20*	28 1/4	30
Gt. Amer. Ind..	2	.20	10 1/2	11 1/2
Hanover Fire...	10	1.20	26 1/2	27 1/2
Hartford Fire..	10	2.50*	93	95
Home (N. Y.)...	5	1.60	28 1/2	30
Ins. Co. of N. A.	10	3.00*	77	79
Maryland Cas..	1	...	5 1/4	6 1/4
Mass. Bonding.	12.50	3.50*	71	73
Mer. (N.Y.) Com.	5	2.00*	46 1/2	48 1/2
Natl. Cas.	10	1.00	25	26
Natl. Fire	10	2.00	57 1/2	59 1/2
Natl. Liberty...	2	.40	7 3/4	8 1/4
Natl. Un. Fire..	20	5.00*	170	175
New Amst. Cas.	2	.97 1/2	26	27
New Hampshire	10	1.80*	45	47
Northern (N.Y.)	12.50	5.00*	100	104
North River Ins.	2.50	1.00	24	25
Ohio Cas.	5	.70	19 1/2	21 1/2
Phoenix, Conn..	10	3.00*	85	87
Preferred Accl..	5	1.00	13 1/4	14 1/4
Prov. Wash....	10	1.40*	34	36
St. Paul F. & M.	62.50	10.00*	276	286
Security, Conn.	10	1.40	37 1/2	41 1/2
Sprgfd. F. & M.	25	4.75*	122	126
Standard Accl..	10	2.50	67	69
Travelers	100	16.00	455	465
U. S. Fire	4	2.00	51 1/2	53 1/2
U. S. F. & G....	2	1.25*	32	33

*Includes extras.

Ennis Is Author of Famed Treasury Slogan

Authorship of the slogan "They gave their lives. You lend your money" is claimed by Frank S. Ennis, manager of advertising and publicity of America Fore.

The phrase, which was circulated nationally by the Treasury in the second war loan campaign, was credited in a recent Walter Winchell column to an advertising agency copywriter. In a letter to "Advertising Age," Mr. Ennis wrote:

"I attach herewith a copy of a letter which I have sent to Walter Winchell together with reprint of the advertisement and a copy of the house organ referred to therein which might be of interest to you.

"I was surprised to read in your column Monday morning that one Betty Minsch of Young & Rubicam was responsible for the slogan 'They give their lives. You lend your money' because I was laboring under the impression that I was the creator of this idea.

"You will note from the attached that this idea is used on the outside cover of our house organ, which appeared in September, 1942, as well as in the editorial content on the inside front cover.

"Also attached is a reprint of an advertisement of our companies which appeared in the 'Saturday Evening Post' on Oct. 10, 1942. Copies of this material were forwarded to the Treasury Department at that time.

"As a newspaper man, you realize that an advertising man's most valuable asset is the ideas which he may create. If Young & Rubicam or anyone else is able to furnish similar irrefutable proof of prior use I am perfectly willing to concede authorship, otherwise I ask you in fairness to give credit where credit is due."

John F. Huntsman, 71, president of the Starkweather & Shepley agency, New York City, since 1924 and a director of the Rhode Island, died at his Plainfield, N. J., home after a short illness. A son, Paul A. Huntsman, is assistant secretary of the agency.

EXTRA

Selling

POWER

That brings you

ADDED INCOME

To all of your own experience as an insurance agent, we offer the cooperation of our experienced state and special agents in your difficult problems. They will willingly offer you the benefit of their experience and ADD to your selling power—and your income.

Ohio's oldest independent stock insurance company, established 1865—now operating in its Fourth quarter century, a recognized leader in its field, with a reputation for fair appraisals and prompt payment of just claims.

Write today, learn ALL the advantages—Increase your income.

For full details, write Wm. F. Kramer, President; E. J. Weiss, Secretary, Reliable Fire Insurance Company, Dayton, Ohio.

STATE AND SPECIAL AGENTS

R. E. Metzger
162 E. Dunedin Rd.
Columbus, Ohio

Finnell & Finnell
214 Washington St. Bldg.
Royal Oak, Mich.

C. R. Dobbins
3359 Carrollton Ave.
No. 14
Indianapolis, Ind.

**For Over 78 Years
a Name to Rely On!**



RELIABLE
FIRE INSURANCE CO.
Dayton, Ohio

An Independent Ohio Company



The
CHARTER OAK FIRE
INSURANCE COMPANY
~HARTFORD, CONNECTICUT~

PREVENTION of
fires and explosions
is a very real part of
our skilled engineering
service.



One of
THE TRAVELERS
COMPANIES

Hartford, Conn.



Rising values and high replacement costs have rendered the coverage of many dwelling and household goods policies inadequate. Fire insurance agents can do a real service to their policyholders today by calling attention to this dangerous situation.

Although this service may produce but modest commissions, still, aside from the duty angle, it will afford an agent the means of opening the door to other business like Extended Coverage, Personal Property Floater, Automobile, War Damage Insurance, and so on.

Perhaps the simplest, least expensive way to notify your insured would be through a letter, such as the one used recently by many of our agents with encouraging results. A surprisingly high response was had to it.

If you would care to have a copy of this letter, as well as a sample of the accompanying "Your Possessions" folder, please address our Advertising Department.

THE PENNSYLVANIA FIRE INSURANCE COMPANY
 THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
 THE MERCANTILE INSURANCE COMPANY OF AMERICA
 THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK

NEW YORK ✧ BOSTON ✧ PHILADELPHIA ✧ DETROIT ✧ CHICAGO ✧ SAN FRANCISCO

NEWS OF FIELD MEN

Bleckley Kansas F. U. A. President

WICHITA—At its annual meeting here the Kansas Fire Underwriters Association elected C. E. Bleckley, Northern of England, Topeka, as president, succeeding J. E. Mott, Great American, Wichita. W. S. Gibbons, St. Paul, Wichita was named vice-president and Byron R. Ward, Glens Falls, Topeka, secretary. W. E. Newcomb, Chicago, assistant manager of the Western Underwriters Association, and E. A. Henne, Chicago, vice-president America Fore, addressed the morning session. Mr. Henne recalled making his first agency call when he entered the field in Wichita. Edwin S. Nellis, Topeka, president Kansas Association of Insurance Agents, spoke in the afternoon, outlining the public relations program of the National association.

The Kansas Field Club of the Western Insurance Bureau reelected all officers: President, Harold E. Holtz, Millers National; vice-president, Paul Cramm, Northwestern National, Oklahoma City, and secretary, J. Y. Dickerson, Loyalty group, Topeka.

Candidates initiated at the Blue Goose annual splash Wednesday in-

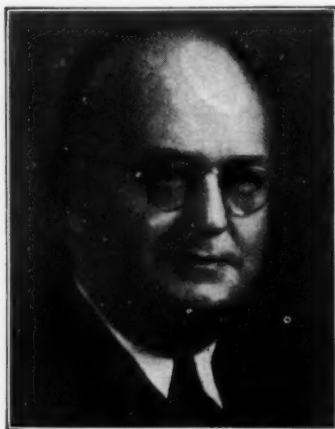
cluded E. M. O'Callaghan, treasurer of Preferred Fire, Topeka. Fourteen members of the Kansas pond are now in service, including six from the Sunflower puddle in Wichita, which was host to the annual gathering. Guests included Ralph Tanger, western inland marine manager of Security; Harold Smith, National Inspection Company, Chicago, and Lieut. Milton Wesley of Tulsa.

State Fire Marshal Fred A. Werbe attended the meeting of the Kansas Fire Prevention Association Wednesday and the state civilian defense program was given broad consideration.

Trenbath Veteran in Blue Goose

E. W. Trenbath, most loyal gander of the Seattle Blue Goose, who has been endorsed for the post of grand keeper by the Pacific Coast ponds, has been engaged in the insurance business for 32 years.

A native of Somerville, N. J., Mr. Trenbath went to Kennewick, Wash., in 1910, and the following year started a



E. W. TRENBATH

local agency which flourished and which in 1912 was merged with another agency to become Trenbath & Tweedt.

Later the agency became Trenbath & Gascoigne. His partner was W. H. Gascoigne, now agency superintendent in the northwest for Balfour, Guthrie & Co. In 1921 the business was sold to Harold G. Fyfe, and Mr. Trenbath moved to California to take his first field job with Capital Fire of Sacramento as special agent. Later he was made assistant secretary. He resigned this post in 1923 to enter the mortgage and insurance business in Portland. In 1926 he moved to Seattle to join Fireman's Fund as special agent and in 1930 became special agent for Pacific American Fire, going with Swett & Crawford when that firm represented the company on the Coast. When L. & L. & G. acquired Pacific American, Mr. Trenbath went with that group. He joined the Norwich Union group in 1933 and since that time has traveled the Washington and Idaho panhandle field.

Mr. Trenbath served as president of the Special Agents Association of the Pacific Northwest, Western Washington division, in 1934. He held several posts in the Seattle Blue Goose before being elected most loyal gander in 1942. He was delegate to the Toronto grand nest meeting last year and served as deputy most loyal grand gander at large for the western states in 1941-42. Mr. Trenbath began his career in Blue Goose in 1921 when he joined the California pond.

In the normal course of events, if he wins the post this year, he will become

most loyal grand gander in 1948, the year the Seattle pond is bidding for the grand nest meeting.

Overand Joins Millers National in Oklahoma

The appointment of B. T. Overand as state agent in Oklahoma, succeeding Wm. H. McClaim, is announced by Millers National and Illinois Fire.

Mr. Overand has been special agent for Phoenix of Hartford in Oklahoma and Texas for 17 years. Prior to entering the field he was with the Oklahoma Inspection Bureau, and is well informed in rating and engineering work.

His new headquarters are in the First National building, Oklahoma City.

Reynolds to Tour Western Blue Goose Ponds

Howard A. Reynolds, Home, San Francisco, most loyal grand gander of Blue Goose, will be guest of honor at annual meetings of Pacific northwest ponds on a tour of the field in June. To enable Mr. Reynolds to visit those ponds, the various organizations are arranging their meetings within a 10-day period. The Oregon pond has set its meeting for June 18, and the Seattle, Washington (Spokane) and British Columbia ponds will follow with their annual get-togethers.

At its monthly meeting the Seattle pond decided to continue its traditional golf tournament for the Lee McKenzie cup. This event follows the morning business session. There will be a banquet in the evening.

Linnell at Iowa Pond Meet

DES MOINES—Thomas G. Linnell of Minneapolis, grand supervisor, will be a special guest at the annual meeting and outing of the Iowa Blue Goose here June 17-18.

The affair will start with a luncheon June 17 to be followed by the annual meetings of the Iowa Fire Underwriters Association and Iowa Fire Prevention Association, with the Blue Goose meeting at 3 p. m. The banquet will be held in the evening, with motion pictures and other entertainment scheduled, and the annual outing the next day.

Discuss Gas Rationing

SALT LAKE CITY—The April meeting of the Intermountain Association of Fire Underwriters was devoted to an informal discussion of some of the problems confronting field men, including gas rationing, and the efforts being made to obtain relief along that line. The committee appointed at the March meeting reported no progress in obtaining relief.

Shortage of photographic films in the intermountain region led a number of local agents to agitate for the suspension of photographic requirement in connection with insurance on farms. A committee reported no concessions made so far and it is believed that special agents will be called on to furnish photographs as required by the companies and the Pacific Board.

Dr. Held Ohio F. U. A. Speaker

Dr. Felix E. Held, secretary of the college of commerce and administration of Ohio State University, will address the Ohio Fire Underwriters Association at its meeting in Columbus May 11 on "An Interpretation of World Events." The preceding evening, the Ohio Blue Goose will give a stag party and hold its annual meeting.

It will start with a cocktail hour followed by a buffet dinner. The meeting, in addition to election of officers will include initiation of a number of

Dog—The Friend of Man



A SERMON

The tale is told centuries ago, that when the intellectual gulf began to widen between man and the rest of the animals, man looked upward at the sky and all the others walked off about their own business. That is, all but one, the dog.

He saw the gulf widening between them. "I want to go to him," he whined and crouched as if to leap. The man hearing him, looked across and saw what he wished to do.

"Come!" shouted the man.

"I'm coming," yelped the dog.

And then he gathered himself and leaped, but the gulf was very wide—almost too wide for the dog. Only his brave forepaws struck the farther edge of the chasm and there he hung without a whimper, looking straight into the eyes of man. Then came to the man a strange feeling that he had never had before. He smiled, stooped and lifted the dog firmly and placed him by his side where he has been ever since.

"Faithful and loyal forever—until death do us part."

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North America Agents enjoy particular advantages in working out these new problems. Through cooperation with our 32 Service Offices in the United States and Canada they benefit by the experience of a Company which has progressed through more than 150 years of war and peace—a Company with extraordinary facilities and an exceptionally broad scope of service. Close cooperation with the Agent is a definite working principle of this oldest American fire and marine insurance company.

1942 Premium Income of North America Companies increased \$7,477,787 (exclusive of Ocean Marine War Risks).



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and its affiliated companies write practically every form of insurance except life

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candidates and the annual memorial service. W. W. Waters, most loyal gander, will preside and the memorial service will be in charge of D. C. Morgan, chairman memorial committee.

Firemen's Changes in South

William T. DuBose has been appointed state agent in Florida for Girard F. & M., National-Ben Franklin and Milwaukee Mechanics of the Firemen's group with headquarters in the Exchange building, Orlando. He takes the place of J. H. Free, who has asked to be transferred to another field.

Fred W. Johnson has been appointed state agent for the same three companies in South Carolina with headquarters in the Liberty Life building, Columbia.

Honor Veterans in Mountain Field

DENVER—At the monthly meeting of the Mountain Field Club here Monday the historical committee conducted a program in honor of the "Old Timers," those who have been in the insurance business 25 years or more.

Clarence Cobb, A. L. Jessup, Bert M. McDonald, and Henry F. Evans, members of the field club, have been in the insurance business in Denver 50 years. Mr. Evans was president of the organization in 1931. There are 50 members who have been in insurance in the territory during the past 20 years.

Holbrook in Field for Atlas

Atlas has appointed J. W. Holbrook as special agent for Virginia and eastern North Carolina. He has been with the Atlas group for nearly 20 years. Before his appointment as special agent he was home office examiner for a territory that included Georgia, Florida, Louisiana, Mississippi and Tennessee and hence is thoroughly familiar with southern underwriting problems.

Mr. Holbrook's office will be at 923 American building, Richmond. His

predecessor was J. W. Hosier, who has gone with the Crum & Forster group.

Bristow, Okla. Inspected

The Oklahoma Fire Prevention Association inspected Bristow April 28-29. Paul J. Slater, America Fore, Oklahoma City and E. F. Yerrington, National Fire, Oklahoma City, addressed luncheon meetings. The radio broadcast of the U. S. Chamber of Commerce was heard.

Security Names Waters in Ala.

Security Fire has appointed Owen Waters as special agent for Alabama and west Florida with headquarters in Montgomery. He is a brother of "Muddy" Waters of the Alabama Inspection & Rating Bureau.

Ala. Blue Goose Elects June 10

The Alabama Blue Goose will hold its meeting in Birmingham June 10. Dillon S. Overton of Johnson, Overton & Co., Birmingham, is now most loyal gander.

A history of the Alabama pond since it was chartered in 1922 is being written by Cliff G. Key, Birmingham, state agent of Home.

White in N. Y. with Caledonian

Caledonian has appointed David C. White state agent of the group for western New York state with headquarters at 325 University building, Syracuse. Mr. White is a fieldman of considerable experience in the territory that he is to supervise and for many years was associated with Globe & Rutgers.

C. J. Hooker with National, Conn.

Charles J. Hooker, who has been state agent of National of Hartford in Colorado has been appointed special agent for the American of Newark group. Mr. Hooker succeeds Richard B. Daniels, resigned. Mr. Hooker will travel the mountain field and his headquarters will be in the Rocky Mountain department at Denver which is headed by John L. Reams.

Fireman's Fund Pa. Change

Donald G. Munsie of Harrisburg, special agent in eastern Pennsylvania for Fireman's Fund, is entering the army this week. His field will be traveled by J. Howard Holliday of Pittsburgh who will continue to look after part of the western Pennsylvania field as well.

Debate on Renewal Certificates

At the meeting of the Ohio Stock Fire Insurance Speakers Association May 10, directed by the Fire Prevention Association of Ohio with K. J. Hoag, Fireman's Fund, in charge, R. J. Engel, Home, will lead the discussion on fire prevention in rural communities.

This week there was a debate on renewal certificates for fire insurance. R. J. Smith of Corroon & Reynolds had the affirmative and W. G. Brownson, American Alliance, the negative. The judges decided for the affirmative.

The Minnesota Blue Goose has incorporated.

COMPANIES

Fireman's Fund Seeks to Take Stock Off Exchange

The Securities & Exchange Commission will hold hearings at its offices in San Francisco May 24 on applications by Fireman's Fund, Fireman's Fund Indemnity, Occidental, and Home Fire & Marine to withdraw their capital stocks from listing and registration on the San Francisco stock exchange. Fireman's Fund in its application states that most fire insurance stocks are being traded over the counter, and that if the secur-

Dinner Marks 75th Year of Allemannia

Allemannia Fire of Pittsburgh held a party there last week to mark the company's 75th anniversary, which fell on April 27. The affair was attended by the directors, officers, field men and employees at the home office. Because of the war Allemannia did not plan an elaborate celebration of the occasion. President George W. Unverzagt presided.

Allemannia, which is an affiliate of Crum & Forster and is under the underwriting management of that company, operates in 39 states and the District of Columbia. It has paid dividends in 70 of the 75 years of its operation, and has not missed a dividend for the past 43 years. Its assets at the end of 1942 totaled \$5,608,057. It enlarged its field of activity in 1941 by entering the marine field.

ity is delisted the over-the-counter market will be at least as active as that provided by the San Francisco exchange. The company further points out that the exchange market is of comparatively little value to stockholders residing outside California, and that while the security is listed, proxies cannot be solicited without a proxy statement conforming with the proxy rules to which most of the company's competitors, whose securities are unlisted, are not subject. The company adds that compliance with certain requirements of the proxy rules is inimical to its best interest.

Fireman's Fund Indemnity makes the same general statements, but adds that 63,066 of the 100,000 shares of its outstanding stock are held by two corporations as permanent investments leaving only 36,934 shares available for trading. Of Occidental's 100,000 shares, only 3,397 are held by stockholders other than two corporations, and of Home Fire & Marine, 2,196 shares.

Washington Assurance Capital Now \$1,000,000

Washington Assurance, affiliate of Merchants of New York, is now a \$1,000,000 capital company. By transferring \$500,000 from net surplus and increasing the par value of the stock from \$25 to \$50 a share, the increase was effected. The number of shares outstanding remains at 20,000.

As of March 31, giving effect to the change, net surplus is slightly in excess of \$1,000,000.

3% Dividend for Republic

Directors of Republic of Dallas have declared a quarterly dividend of 3%, or 30 cents per share, payable May 25 to Republic stock of record at the close of business May 10.

Zone 2 Commissioners Hold Baltimore Parley

The zone 2 commissioners held a semi-annual meeting at Baltimore during which they discussed examinations under war time conditions, the Hobbs bill in Congress to deny the use of the mails to unlicensed insurers and the application of the new Guertin life insurance legislation which has been enacted in a number of states.

John B. Gontrum of Maryland, the new chairman of the executive committee, presided. Others on hand were Bowles of Virginia, Swain of Delaware, Jordan of District of Columbia, Hodges of North Carolina, Crabbe of Ohio, Neel of Pennsylvania, Egleston of South Carolina. A number of deputies and actuaries were also present.

A dinner was attended by executives of a number of Maryland companies and Presley D. Bowen, president of the Maryland Association of Insurance Agents, and Guy T. Warfield, Jr., Maryland state director of the National Association of Insurance Agents.



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CHICAGO BOARD OF UNDERWRITERS

Office of the President

May 6, 1943

To All Members:

For some months your officers and committee-members of all classes have been expanding our program in line with a variety of suggestions from members. Your individual announcement of their accomplishment is in the mail.

The program is truly substantial, including new services to members and complete public relations campaigns. It will begin within a few days and, presumably, continue for years.

The first function of this program is to increase current and future business and earnings of all members. At the same time, the program will definitely benefit the whole insurance industry in our area.

I hope you will join me in congratulating and cooperating with your members who have made this effort possible.

Sincerely yours,

Walter M. Sheldon

Walter M. Sheldon

WMS:ac



Commissioners Create Own Office on Valuations

NEW YORK—The subcommittee of the committee on valuation of securities of the National Association of Insurance Commissioners at a meeting here arranged for all the work in connection with the determination of security values and the amortization of bonds to be done by the subcommittee, instead of by a statistical organization as heretofore.

Offices have been leased and an agreement executed with L. A. Griffin, formerly with Moody's Investors Service, under which he will have immediate charge of the work and the committee's office. He will have the title of "executive secretary to the committee on valuation of securities."

The committee's action was under the authority in the resolutions adopted by the executive committee and the committee on valuation of securities at their meetings in Columbus April 9.

The offices will be in Room 1501, 61 Broadway, New York City, the same building in which the New York City office of the New York department is located. The furnishing of the offices and the hiring of the necessary clerical force, etc., will be completed and the offices open for business on May 15. The number will be Bowling Green 9-8956 & 8957.

All correspondence regarding association values and amortization of bonds should, on and after May 15, be addressed to: Committee on Valuation of Securities, N.A.I.C., 61 Broadway, Room 1501, New York City.

Commissioner Harrington of Massachusetts, subcommittee chairman, presided.

Beling Gives Suggestions on Agency Operations

A number of practical suggestions on increasing the efficiency and profits of an agency were outlined at the Insurance Club of Chicago Tuesday by Oscar Beling, superintendent of the agency systems department of the Royal-Liverpool group. W. F. Kuffel, Phoenix of Connecticut, president, was in charge of the meeting. Donald Wood, Sr., of Childs & Wood, introduced Mr. Beling.

Survey and analysis work, Mr. Beling said, should not be neglected because of war time conditions. Constant changes make careful reviews of clients' insurance needs very desirable, and should go far to cement relationships for the post-war period.

In connection with personnel he said some agencies have prepared a work manual listing all office details and operations and the employees responsible for them. Preparation of such a record often discloses duplication of effort. Its main purpose is to facilitate break-in of new employees.

Mr. Beling described a "six-in-one folder" which he developed from agents' ideas. The folder is an alphabetical index, daily report file, correspondence file, continuous line record, solicitation record, and expiration control. Thus it saves time and space and stimulates production, which should be the objectives of agency procedure.

He advised sparing use of carbon paper, which is scarce, use of window envelopes to save time and prevent errors in mailing, etc. He strongly advised as simple an accounting procedure as is consistent with full information, and said that most agencies furnish companies much more information than the latter require on monthly accounts.

There is a greater need than ever to establish and maintain adequate reserves for bad debts and unearned commissions, he said, so that the agency can meet the situation when war business is suddenly curtailed.

Hildebrand Urges War Damage Cover Campaign by Agents

LANSING, MICH.—Warning that preparations should be made now for a uniform campaign by agents to maintain and even augment the volume of war damage insurance during the coming year marked a talk by W. O. Hildebrand, secretary Michigan Association of Insurance Agents, before a meeting of the Lansing association.

He was one of several speakers at the session, with most of the talks centering around various aspects of the legislative program enacted at the recent session of lawmakers. He advised that immediate steps be taken to organize a sales and advertising drive well in advance of the war damage coverage expiration date July 1.

Talked on Legislation

Mr. Hildebrand emphasized the value, from an agent's standpoint, of the personal property floater, stiffening of the autoists' financial responsibility law, and broadening of the compensation act. He warned against any misuse of the laws.

Commissioner Forbes, who was among several guests, announced the new compensation rates to become effective when the broadened law takes effect Aug. 1.

Phil Lyle of North British & Mercantile, and John McLean of National Fire explained the personal property floater; William E. Searl, Auto-Owners vice-president and secretary, discussed the new financial responsibility act, and W. C. Bishop of the state accident fund talked on the new compensation act.

Question of Transit Cover Under New Dwelling Form

In commenting on the loss possibilities under the dwelling contents form, recently introduced in the middlewest which provides 10% floater coverage up to a maximum of \$1,000, THE NATIONAL UNDERWRITER mentioned with tongue in cheek the possibility of an assured making claim for damage to his clothes when struck by an automobile. An adjuster writes THE NATIONAL UNDERWRITER asking whether the householder at the time of being run down would not be "in transit." He refers to the opinion expressed in the Fire, Casualty & Surety Bulletins that transit losses are not covered because the floater provision simply gives coverage "at other locations."

A difference of opinion exists as to precisely what interpretation is to be given to "other locations." Most observers assume that the phrase is intended to mean other fixed locations, such as a temporary residence of the assured, out buildings, storage places, office, repair shops, etc. However, others believe the companies might have difficulty in maintaining that position and that it will be found that the companies are providing transit coverage.

Discuss Mich. P. P. F. Form

LANSING—Several leaders in the Michigan Association of Insurance Agents met with Commissioner Forbes Wednesday to give further study to framing of the Michigan personal property floater form. The recent legislature legalized use of the form in the state and the new law becomes effective July 30 but the exact provisions to be incorporated in the form and the rates have not been decided.

Worcester Board Elects

WORCESTER, MASS.—Thomas E. Babb, Jr., has been elected president of the Worcester Board of Underwriters; First vice-president is Donald D. McPherson; second vice-president, Frederick L. O'Brien; secretary-treasurer, Francis A. McGlynn.

Blanks Committee Urges Still Greater Simplification

NEW YORK—The blanks committee of the National Association of Insurance Commissioners at its meeting here this week adopted a resolution urging the executive committee to continue the wartime simplifications in the annual statements permitted this year with whatever additional changes the executive committee feels are advisable.

The blanks committee recommended that for all types of companies purchases of stocks and bonds at public offering, shown in schedule B, part 3, may be reported in the aggregate. Thus far these purchases have been shown as separate items except on securities where the price was identical.

Provision was made for reporting of federal income tax payments in the underwriting, investment, and miscellaneous exhibits of the fire and casualty blanks. Companies would be permitted to allocate the tax payment as they chose among these three categories.

In schedule T the reporting of dividends on reinsurance is changed slightly so as to simplify the checking of the tax returns.

Page nine of the fire blank will be modified to eliminate gross risks less cancellations. These figures have no significance and their absence will save considerable time in preparing the statements, since the figures must be prepared for each state in which a company does business.

In the casualty blank provision will be made for entering the liability for return premiums under retrospective or rate credit rating plans so as to secure a degree of uniformity. Companies have been adding this item in with the unearned premium reserve. The entry will be an additional column in the recapitulation block on page seven.

Schedule P, part 1-A, analyzing claim reserves on automobile liability business, will be eliminated but there will be a footnote showing how much of the aggregate claim reserves are on automobile business and how much on other liability.

War Risk Premiums Held Earned Tho Voyage Stopped

TORONTO—The superior court here held that marine war risk insurance attached when a vessel left Montreal for France, although the voyage was halted at Quebec because of the fall of France in June, 1940, and the insured cargo was eventually disposed of in Canada. In denying the custodian of enemy property, who brought the action, recovery of war risk premiums from Eagle Star, the insurer, Justice McDougall held that the ship had started its ocean voyage, although it never reached the ocean and that under such circumstances there is no return of war risk premiums.

Fete Grebert in Albany

About 100 company men and local agents attended a testimonial dinner in Albany to Herman Grebert, manager there for Fire Companies Adjustment Bureau on his 25th anniversary with the bureau. The toastmaster was Peter D. Kiernan and T. J. Cullen, acting insurance superintendent, was the principal speaker. Mr. Grebert was presented with a gift of sterling silver.

Mr. Grebert started in the business in 1905 with Commercial Union and served in its loss department until 1918 when he joined the old General Adjustment Bureau at Albany. He is a past president of the Albany Field Club.

Daniel U. Hampton, vice-president of the Colorado Investment & Realty Co., Colorado Springs, is seriously ill of pneumonia at Glockner hospital there.

N. F. P. A. Has Full Card for Parley

The annual meeting of the National Fire Prevention Association, which will be held May 10-13 at the Palmer House, Chicago, will open Monday with sessions of the fire marshals section and other preliminary meetings. The first general gathering will be Monday evening.

Tuesday morning at the general session committee reports will be presented. The municipal fire protection and civilian defense forum Tuesday afternoon will be followed by a war industry fire prevention clinic at which chairman of the technical committees will be available for consultation on individual problems. Films of technical and educational fire protection interest will feature the Tuesday evening program.

Speakers representing various government agencies concerned with fire protection will appear Wednesday morning. Wednesday afternoon there will be a visit to Underwriters Laboratories. The inspectors' forum will have a closed session Wednesday evening, and the closed session Thursday morning will be devoted to army and navy fire protection activities. The final session Thursday afternoon will be devoted to discussions on safeguarding war industries, conductive and spark-proof flooring, new chemicals in war industries and prevention of magnesium dust explosions.

Delaney's Essay Published

The prize-winning essay on the reinsurance laws of South America and their effect on reinsurance done by United States companies by W. F. Delaney, Jr., recently elected secretary and general counsel of American International Underwriters, has been brought up to date and published in booklet form by the Insurance Society of New York. Mexico has been added to the countries covered and a complete bibliography is included. The essay was published in the 1942 reinsurance edition of THE NATIONAL UNDERWRITER. Copies may be obtained from the headquarters of the society, 107 William street, at a cost of \$1.

Sharp Heads Iowa Group

DES MOINES—James T. Sharp, special agent for Mill Owners Mutual Fire of Des Moines, was elected president of the Iowa 1752 Club. He succeeds Bryan Connell of Farmers Mutual Hail. Howard Hill of Central States, Mount Pleasant, is vice-president; M. L. Hess, Western Mutual Fire, Des Moines, secretary, and George S. Howes, Iowa Mutual of DeWitt, treasurer.

C. C. Putnam, Des Moines attorney, spoke on the possibilities of aviation insurance after the war and pointed out the increased work to be assumed by adjusters on aviation claims. A navy film "Target for Tonight" was shown.

Two Day School in Indianapolis

A two-day school, sponsored by Indiana University and the Indiana Association of Insurance Agents, will be held in Indianapolis May 25-26, covering agency management and inland marine insurance. Both will follow the educational program of the National Association of Insurance Agents and those who pass the final written examinations will be given credit on the national course.

Registration for either course will be \$2.50 and applications should be filed with the office of the Indiana association in Indianapolis by May 21. Registration fee will include some of the texts on which the lectures and the examinations will be based.

R. M. Collins has sold his interest in the Collins Insurance Agency, San Benito, Tex., to W. D. Collins.



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A HOME destroyed by fire can keep a valuable man from vital work. This helps the enemy as definitely as though the worker were thrown, temporarily, into a Nazi concentration camp.

So you can help your country when you make sure that your clients have sufficient protection to meet quickly the problems a fire may bring. Adequate protection helps keep men at work.



Providing the additional protection necessary to meet steadily increasing replacement costs is an important wartime service of National Fire Group agents and fieldmen.



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INSURANCE MEN IN ARMED SERVICES

First Lieut. **Edward McGregor, Jr.**, Brooklyn, formerly with Globe Indemnity, distinguished himself in North Tunisia and was decorated for gallantry by the commanding general. H. J. Whalen, superintendent liability department of Globe Indemnity, has received a letter from Lieut. McGregor. An Associated Press dispatch said McGregor's infantry platoon was sent after a German observation patrol and captured a German officer, 17 men and all their equipment, in open country in face of heavy German artillery barrage. Lieut. McGregor was promoted to captain following the incident. He built a fortification of rough stones and other material which was so successfully defended against assaults that it was named Fort McGregor and was mentioned in news dispatches by war correspondents.

Frank B. Epps, son of Frank D. Epps of the Epps-Epps Company agency in Richmond, has been promoted from lieutenant (j.g.) to lieutenant in the navy. He is stationed in Maryland.

Roller DeVault, local agent in Johnson City, Tenn., who enlisted in the navy several months ago, is now stationed at Pearl Harbor with a rating of chief pharmacist's mate.

Ransom Bailey of the S. O. Bailey & Son agency, Cedar Falls, Ia., has been inducted into the army.

Arthur E. Campbell, Seattle insurance attorney and adjuster, has been promoted to colonel in the army. Col. Campbell, who is past most loyal gander of the Seattle Blue Goose, is now stationed in the British Isles.

R. T. Wellman, formerly with the Wichita office of the Kansas Inspection Bureau, now with the 59th engineers in north Africa, reports that he is receiving his insurance journals and enjoys keeping up with affairs but admits that they reach him a little late.

O. T. Stribling, assistant manager of the insurance department of the Newton Finance Co., Newton, Kan., has reported to Fort Leavenworth for army duty.

J. W. Jordan, former claims manager of Commercial Standard at the home office, is now a captain with the 104th engineers at Ft. Lewis, Wash. Captain Jordan entered service in 1942 as a first lieutenant.

Ensign George M. Lynch, Jr., former resident adjuster of the Western Adjustment at Great Bend, Kan., is now in training with the naval reserves at Dartmouth College.

John Cain, bonding superintendent of Fidelity & Casualty in Los Angeles, has been commissioned a lieutenant (j.g.) in the navy, and is at Quonset Point, R. I.

Capt. Charles H. Cooke, Jr., a partner in the Kimball-Cooke Co., agency, Athol, Mass., and now in Africa, is

commander of a field artillery battery praised by Gen. George S. Patton, Jr., for its performance on the Tunisian front.

Carlton J. Ward, formerly claim adjuster of Massachusetts Protective, Worcester, Mass., is attending officer candidate school at Camp Davis, N. C.

Fred H. Barney of the Barney & Barney agency, Minneapolis, has been granted a leave of absence by his firm to enter the army. He has been accepted for training at an officers school.

Wm. H. Toole, son of Wm. J. Toole, Jr., of Underwriters Adjusting in Chicago, has been commissioned a second lieutenant in the army air force and is now at San Marcos Field, Texas, as a navigation instructor.

O. S. Nordaker of the Halverson & Nordaker agency, Soldier, Ia., has entered service. The agency will be continued by D. H. Halverson.

Kenneth Crandall of the Crandall agency, Afton, Ia., has enlisted. The agency will be continued by his brother, Roy Crandall.

John Jones, formerly with the Larsen agency, Corning, Ia., is reported as missing in action in north Africa.

Capt. Paul Walters, former Corvallis, Ore., local agent, has been promoted to major and is stationed at Camp White, Ore.

Harold Ruth of the Ruth Insurance Service, Billings, Mont., and **Donald Rosebury**, who was associated with him, now are both in the navy as lieutenants. Miss Eula Satterfield, office secretary, is conducting the agency during their absence.

W. L. Mickelsen, special agent of Liverpool & London & Globe in Indiana, has reported for service at Fort Schuyler, N. Y., with the rank of lieutenant (j.g.) in the navy.

Albert K. Earnest, lieutenant (j.g.) in the navy, torpedo plane pilot, has been decorated for the fourth time for extraordinary heroism in action against the Japanese. He was a special agent of the Virginia rating bureau when he entered the navy. Previously he has been given the Navy Cross, Gold Star and Navy Air Medal.

Joseph Y. Gayle, local agent of Richmond, Va., is now a major in the army, attached to the ground forces at the Richmond air base. He was recently promoted from captain to major.

Ernest H. Morrison, for some years in charge of the compensation and liability department of Western Casualty & Surety, has been commissioned a lieutenant (j.g.) in the navy and has been assigned to the photographic department at the naval training center, Pensacola, Fla.

James M. Casey, manager of the Mitchner agency and secretary of the

Hutchinson (Kan.) Association of Insurance Agents, has received a second lieutenant's commission and reported to the anti-aircraft division, coast artillery, Camp Wallace, Tex., for officers school.

R. H. Jenkins, head of the R. H. Jenkins general agency of Los Angeles, now is serving as a lieutenant (j.g.) in the coast guard and is stationed at its headquarters there in a staff capacity.

J. N. Gray, special agent of Phoenix Indemnity in Los Angeles, has joined the army and now is stationed at Camp Crowder, Mo., in the photographic section of the signal corps.

Sterling Stapp, assistant casualty manager of Travelers in Seattle, has joined the army and is a candidate for officers training school.

Jack Mallen, formerly with the Portland, Ore. office of Charles W. Sexton Company has volunteered for submarine training, and will be stationed at New London, Conn. His father is marine manager of Sexton & Co., in Portland.

Give WDC Renewal Instructions in Detail

The War Damage Corporation issued this week a bulletin giving in detail the renewal procedure to be followed by producers in using the renewal slips and specifying which risks are eligible for this treatment. Except for some additional details the information is basically the same as that given in THE NATIONAL UNDERWRITER of April 22 regarding instructions to fiduciary agents.

These additional points include the following: The renewal slip cannot be used if the original policy did not conform to Regulations "A" as amended and interpreted, or if either the producer or the fiduciary agent is changed from the original.

Contrary to earlier reports the renewal application can be used on risks written on WDC form 4 (builders' risk on hulls). The only exceptions are on insurance effected under WDC form 3 (transit), 3A (transit—deposit premium), 15 (registered mail or express), or if a schedule (form 11) was used or if blanket code 99 is applicable.

Signature of the applicant is not required on the renewal application.

The new 3A transit policy is expected to be considerably more popular than the No. 3 originally devised for transit business. It provides for a deposit premium to cover maximum liability with a provision for later adjustment on an earned premium basis. The No. 3 policy is so inflexible and calls for such a high premium that very few of these policies were written.

Change in Civil Air Patrol

The announcement that the War department had taken over the Civil Air Patrol raised the question of the insurance coverage, but up to the present time the government has only assumed administrative duties, leaving the planes and insurance in private hands.

Oppose Rate Probe in Wis.

MADISON, WIS.—At a hearing before the assembly committee on insurance and banking on the joint resolution recently proposed by Assemblymen Beggs and Mullen, E. M. Griggs of Chicago, assistant general counsel of the National Board, charged the authors had used misleading information. The resolution, asking for appointment of a joint legislative interim committee to conduct a probe into fire insurance rates in Wisconsin, states that from 1936 through 1941 fire companies operating in this state collected \$128,712,125 in premiums, paid out \$52,575,810 in losses, and therefore "the sum of \$76,136,135 has been retained above the payment of losses."

Mr. Griggs contended the legislature could get all the information about fire companies from the insurance department. He insisted the excess after deducting losses from premiums is not all profit, that much of it must be paid out in salaries, rents, services to policyholders and other expenses. Out of the 66 cent average rate per \$100 insurance in the nation, 65.9 cents is paid for such expenses and the underwriting earnings are only one-tenth of 1 cent. The average rate in Wisconsin was only 57 cents, he said, contending that Wisconsin already has one of the best rate programs in the United States, carried on by the Fire Insurance Rating Bureau.

Assemblyman Charles Pfennig, local agent at Kenosha; Al Gormly, Madison insurance adjuster, and L. C. Hilgemann, Milwaukee agent, presented similar arguments, contending an investigation is unnecessary. Assemblyman Mullen, in defense of his proposal, said the investigation would determine whether the operating expenses of companies were justifiable, and that this could be determined by subpoenaing records of the companies. Assemblyman Beggs was the only other one to appear for the measure.

National Jewelers Correction

Through an error in transmission of figures the 1942 earned premiums of National Jewelers Mutual Fire of Neenah, Wis., are given in the Argus Fire Chart for 1943 as \$10,998. This actually is the losses paid figure. The correct premiums earned figure is \$78,294. Had the correct figure been given the 1942 ratio of losses incurred to premiums earned would have been 12.7%.

C. M. Epes Buffalo Head

Charles M. Epes of the Armstrong-Roth-Cady agency has been elected president of the Buffalo Association of Fire Underwriters. Vice-president is George E. Spitzmiller of the R. L. Wood company; secretary, Joseph J. Ruh of C. Lee Abell agency and treasurer is Norman K. Butler of the McPherson-Carter Company.

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AS SEEN FROM CHICAGO

CHICAGO BROADCAST MIXUP

The mixup in Chicago in the broadcast from the U. S. Chamber of Commerce insurance section meeting from New York City last week disappointed a number of insurance men who had prepared to listen in. The Critchell-Miller agency arranged for a buffet luncheon at which 50 people were present. Some offices sent out hundreds of bulletins and cards urging brokers and agents to attend. It seems that New York arranged to have the broadcast come over the Blue Network through WENR at Chicago at 1:45 p. m. WENR and WLS are sister stations. WENR left the air at 1:43 and WLS came on. WLS had a contract for a commercial firm to broadcast at that time and the sponsor refused to relinquish the time. Hence there was no broadcast coming through Chicago. The only other outlet would be WCFL and it was tied up with a commercial.

CASHEL MADE DIRECTOR

At the meeting of Underwriters Adjusting of Chicago this week a new director, John R. Cashel of Providence Washington was elected. The other directors are H. A. Clark, Firemen's; W. S. Whitford, Millers National, and F. W. Doremus, American. It was reported that President T. A. Pettigrew, who has been off duty since last summer due to illness, may return to Chicago within the next 10 days. Vice-president H. A. Clark presided at the meeting.

TRANSPORT AGENCY'S MOVE

James E. Short, proprietor of the Transport Insurance Agency of Chicago, is moving his office to A-1640 Insurance Exchange building. The telephone number will be the same, Washash 2770. Mr. Short has been appointed general agent by Great American Indemnity and New York Casualty and also has been appointed Cook county agent by Gulf for fire and marine insurance. He also has the general agency of Virginia Surety and American Casualty for all lines and the Fire Association for automobile fire and theft insurance.

Mr. Short has been in the insurance business for 10 years or more. He specializes in transportation insurance but handles all other lines including marine, casualty, surety and fire insurance. His move was necessitated by a large increase in business production.

WATCH ROADHOUSES

Companies operating in the Chicago district find that now roadhouses, tea-rooms and restaurants dependent on automobile trade located away from the city show signs of increasing the loss ratio as there have been a number of fires. If an eating place is located near a military camp or airfield it still is prospering although the food situation is becoming more and more acute. The liquor condition is also having an effect as it is impossible sometimes to get much of a quantity. The city liquor dealer has an advantage because in buying a case of liquor he is required to purchase a certain amount of cheap wine

or other bottled goods. He does this in order to get the liquor that he desires. The out-of-the-way roadhouse or tavern is handicapped for lack of funds.

Recently in Chicago and the outlying districts hoodlums have broken the glass in the filling stations and taken some of the equipment. This is the case where stations are closed. Inspectors, therefore, are going over these properties to ascertain their situation. A filling station now will insure its gasoline be-

cause it can get a low rate. It takes a floater policy covering all its property. Many stations that have been prosperous are now adversely affected because of gasoline rationing. Most companies are going over their filling station risks for review.

M. & M. BOWLING EVENING

About 100 company men engaged Tuesday evening in the annual bowling tournament sponsored by the Cook county department of Marsh & McLennan of which Carl J. Richardson is manager. About 50 others of more seden-

tary habits constituted the gallery. A buffet supper was served and then the athletes went into action. This is the 9th such event that Mr. Richardson's department has sponsored and it is now one of the big social events in the fire insurance year in Chicago. The arrangements were in charge of Walter Smith.

Last week the office bowling league of Marsh & McLennan held its annual party. There were eight teams on each of which there were three men and two girls. The bond team of which the captain is Fred Hegerhorst was the winning unit and "Barney" Oldfield was the high man. Edna Griffith was the high girl.



the value of any protection system is proved by its actual long-term performance record in minimizing losses. The following statistical analysis of A.D.T. performance during 1942 and over the past ten-year period is convincing proof of the effectiveness of A.D.T. Electric Protection Services in preventing fire and burglary losses.

SPRINKLER SUPERVISORY AND WATERFLOW ALARM SERVICE

Supervisory alarms, indicating impairment of sprinkler systems 120,227
Waterflow alarms, indicating fires or serious leaks 2,889

Percentage of fire and water damage losses to insurable values of protected properties 2/100ths of 1%

During the past ten years, subscribers to A.D.T. Sprinkler Supervisory and Waterflow Alarm Service have enjoyed better than 99.98% IMMUNITY FROM FIRE AND WATER LOSSES.

WATCHMAN SUPERVISORY AND MANUAL FIRE ALARM SERVICE

Investigations of failures of watchmen to signal on schedule 197,226

Total number of signals supervised approximately 300,000,000; hence, the patrol efficiency was 99.94%

Manual Fire Alarms received 1,797

Percentage of fire losses to insurable values 19/1,000ths of 1%

During the past ten years, subscribers to A.D.T. Watchman Supervisory and Manual Fire Alarm Service have enjoyed 99.97% IMMUNITY FROM FIRE AND WATER LOSSES.

BURGLAR AND HOLDUP ALARM SERVICES

Burglars captured as result of A.D.T. alarms 338

Percentage of losses in attacks on A.D.T. protection to insurable values protected 3/1,000ths of 1%

During the past year, subscribers to A.D.T. Burglar Alarm Services have enjoyed 99.997% IMMUNITY FROM BURGLARY LOSSES.

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Conrad Orloff is the new president of the league.

BROKERS RALLY MAY 18

The Insurance Brokers Association of Illinois has called a mass meeting for the afternoon of May 18 in the Midland Club. The announcement states that the members will be told about the brokers' "victory" in the Chicago Board litigation and that the members will also hear "the truth about the Chicago Board."

The brokers association is conducting a strong membership campaign and has gotten out some literature emphasizing its victory in the Chicago Board matter. The brokers association is now providing a fidelity bond for members in Continental Casualty which is the same company that gives the bond for broker members of the Chicago Board running to class 1 members and the companies.

DUNLAP NEXT IN LINE

T. M. Dunlap, adjuster with T. J. Houston & Co., probably will be elevated from vice-president to president of the Adjusters Association of Chicago at the annual meeting May 13. A. B. Kilburg, assistant manager Cook County Loss Adjustment Bureau is the retiring president.

Others who undoubtedly will advance are: Martin J. Powers, adjuster Western Adjustment, Oak Park, secretary to vice-president, and E. L. Powers, general adjuster Underwriters Adjusting, from treasurer to secretary. A new treasurer will be slated by the nominating committee.

The adjusters are laying plans for their annual golf outing, which probably will be held in June. As yet the course has not been selected.

MAGINNIS IN CHICAGO

R. E. Maginnis, assistant secretary American District Telegraph Company, with headquarters in New York, is in Chicago renewing his many contacts with insurance men. He will attend the National Fire Protection Association meeting in Chicago next week. Mr. Maginnis is in charge of insurance relations and was formerly located in Chicago. He was advanced to assistant secretary last fall.

Cal. Valuable Papers Bill Passed in Agreed Form

SAN FRANCISCO—The assembly bill covering all-risk coverage on accounts receivable, valuable papers, etc., was unanimously approved by the assembly and senate and is now before the governor in redrafted form, following an agreement between the fire and casualty companies. It is expected that it will be signed, since there has been no further objection or controversy since the redraft. It would go into effect Aug. 4, when all other legislation adopted by present session becomes law.

Nine other assembly measures in the insurance department legislative program also were approved by both houses. It is expected that the senate bill will be passed which prohibits writing by companies in states where they are not authorized to operate. It follows the uniform bill adopted by the National Association of Insurance Commissioners at its December meeting.

Maddock Assistant Ore. Manager

C. R. Maddock, special agent of the Loyalty group in Oregon, has been named assistant manager of the Portland office under District Manager Edgar Stevens. He has traveled Oregon for the group 19 years.

Gontrum Reappointed in Md.

John B. Gontrum, who was recently named chairman of the executive committee of the National Association of Insurance Commissioners, has been reappointed as Maryland commissioner.

Liquidating Values of Insurers Up 7-10% for Year

NEW YORK—Sharp increases in the market prices of common stocks and certain types of bonds have raised the liquidating or "break-up" values of insurance company stocks, on the average, in the neighborhood of 7 to 10% since the first of the year, according to George Geyer of Huff, Geyer & Hecht, specialists in insurance and bank stocks.

For any individual company the rise in liquidating value would depend on whether its holdings in stocks were greater or less than the average percentage, which is around 20 to 25% and, of course, on what type of stock it holds. Bank stocks—except those of small banks—and second grade bonds have shown the biggest rise. Rail stocks have also jumped but insurance companies do not have much of an investment in these securities.

Reflects Smaller Asset Rise

The rise in liquidating value is equivalent to a considerably smaller percentage rise in asset value since the method of determining liquidating value takes into account the portion of the reserve for unearned premiums that would go to a reinsurer in the event of liquidation.

A desire to hedge against inflation appears to be the main reason for the stock market rise, as the income of corporations after taxes does not make the purchase of their stocks very attractive on an earnings basis. Another factor which is difficult to appraise is the growing national sentiment and conviction that the country is swinging from the left to the right politically, Mr. Geyer feels.

Less Fear of State Socialism

Since the last congressional election there seems to be a feeling that the country is not headed for state socialism, as had been feared before but that some form of capitalism will survive, Mr. Geyer feels, though he concedes that this change in sentiment may not be so noticeable in the insurance business for such reasons as the Atlanta indictment, dictation of the government on insurance rates and commissions, and the threatened expansion of social security.

Steiner Heads Laboratories Protection Department

Albert J. Steiner has been appointed engineer of the protection department of Underwriters Laboratories. Mr. Steiner, who has been assistant engineer in the department since he joined the laboratories' staff at the Chicago testing station in 1921, takes over the responsibility of heading the department from John A. Neale, who has also been serving as chief engineer of the laboratories.

Mr. Neale will devote his time to supervising the engineering work of all departments. The protection department carries on tests of fire-resistive building materials intended to prevent fire damage and to confine fire to the area in which it originates. Mr. Steiner is a graduate of Armour Institute.

Agencies and Branches Not Subject to 41½-Hour Scheme

HARTFORD—Insurance company branch offices and agencies in Hartford are not affected by the new 41½-hour working week now in effect in company home offices for a 60-day trial period, WMC officials here state. All branch offices and agencies employing eight or more persons have been advised to see the WMC for ruling on their status, and each case will be considered individually.

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VIEWED FROM NEW YORK

FEAR STANDARD POLICY JAM

Because they will soon be needing policies for use on renewals effective on and after July 1, a number of companies will be hard pressed to get their supplies of the brand new New York standard policy printed in time. One proposal is to use the old policies but attach an endorsement stating that the provisions of the new policy will apply. The delay was due to the change in the war risk exclusion clause. The amendment to the law was not signed by Governor Dewey until nearly the end of the 30 day deadline following the legislature's adjournment.

BIG MEMBERSHIP INCREASE

A remarkable increase in membership in the New York City Blue Goose was reported by R. F. Moore, Boston and Old Colony, Newark, most loyal gander, at a meeting of the pond. He paid tribute to R. C. Williams, North British, supervisor, for fine work in increasing membership. A large group of candidates was inducted. Mr. Moore appointed a nominating committee to report at the annual meeting, consisting of S. R. Howard, North British, F. L. Bross, Yorkshire, and L. A. Watson, New Jersey Schedule Rating Office, all of Newark; P. M. Winchester, Fire Companies Adjustment Bureau and Herbert Puschel, Home. Arrangements for the meeting will be made by William Hill, Fire Companies Adjustment Bureau, and R. C. Williams, North British. E. W. Dart, Schiff, Terhune & Co., welder, reported that the pond would send boxes of Blue Goose monogrammed soap to each member in the armed forces. Mr. Winchester reported on a proposal to incorporate the pond. Members stood in silence in memory of the late E. L. Lewis, Underwriters Salvage company, past most loyal gander.

New members are: W. W. Emely, president, and J. T. Walsh, secretary-treasurer Insurers Adjustment Bureau; J. Raymond Berry, general counsel National Board; E. F. Hall, secretary Pacific Fire; E. H. Ely, assistant general adjuster, William Brokenshire, Jr., H. W. Lichner, adjusters, Home of New York; A. Wesley Barthelme, secretary inland marine department; P. V. Wilder, special agent; W. J. Traynor, publicity director, H. M. Herrmann, special agent; A. E. Lehman, secretary; W. Russell Haviland, personnel manager; G. W. Braun, adjuster, and R. T. Stewart, secretary of North British & Mercantile; J. D. Stevens, R. B. McFalls & Son; R. P. Halley, adjuster National Union; Lewis Gompers, Lewis Gompers & Co., accountants; S. E. Small, general adjuster Norwich Union; J. H. Shuttleton, adjuster Commercial Union; W. A. Riordan, assistant general manager Automobile; A. A. Lasko, general agent; J. M. Byrne, Jr., president, and S. F. Ratchford, general agent Merchants & Manufacturers, Newark; R. T. Pratt, Stock Company Association; C. C. Disbrow, supervisor insurance section H.O.L.C.; W. A. Bruckmann, adjuster Feuerstein & Bruckmann, Newark; J. J. Ratchford, manager Prudential of Great Britain; L. D. Bailey, special agent Security, Syracuse; C. C. Webster, engineer John Hankin & Brother; A. B. Kates, attorney; M. G. Gwertzman, attorney; J. G. Sullivan, Continental; A. H. Saunders, O. E. Saunders & Sons, printers; A. S. Bolles, E. E. Shaw, Newark, adjusters Fire Companies Adjustment Bureau.

Membership applications for the following were accepted: W. D. Sheldon, Continental, Newark; H. C. Buremeyer, special agent Pacific Fire; R. B. Mitchell, eastern editor THE NATIONAL UNDERWRITER; Harold Holt, adjuster, Albany; N. R. Pirnie, attorney, Albany; W. C. Burt and L. F. McIntyre, adjusters Fire Companies Adjustment Bureau, Albany.

The obligation to new members was given by Herbert Puschel, Home, and the charge by F. L. Bross, Yorkshire, Newark, both past most loyal ganders. Mr. Winchester, who is grand custodian, gave E. Chauncey Niver, New York Board of Fire Underwriters, a

pin worn by past most loyal ganders on behalf of the pond.

NASH ELECTED DIRECTOR

Charles H. Nash has been elected a director of Johnson & Higgins, brokers. He has been treasurer since July, 1939. Mr. Nash for some years was with the Treasury during the Coolidge administration as assistant commissioner of internal revenue. For 10 years before joining Johnson & Higgins he was vice-president and comptroller of the Pittsburgh Company and United States Distributing Corporation.

ADJUSTMENT EXPENSE HIGHER

Companies find that their adjustment expense is increasing due largely to the

fact that adjusters find it necessary to take more time in settling losses. The difficulty comes from the inability to get material or workmen to do a job. Therefore the adjuster is compelled to stay on the ground for a longer time than he otherwise would. This is shown in automobile adjustments also. Adjusters often find it almost impossible to get certain parts. This then requires a search which is a time consumer. The loss adjustment situation is considerably complicated because of the war conditions.

FUND COMMITTEES NAMED

The insurance committees have been organized for the annual Greater New York Fund campaign.

For the casualty and surety companies, Vincent J. Cullen, president National Surety is chairman and for the fire companies Bernard M. Culver, president America Fore. The insurance

agents committee consists of A. J. Smith, Clinton W. Parker and Albert R. Menard, the latter two being of Brooklyn. C. O. Pate heads the insurance brokerage committee.

BOWLING BANQUET MAY 20

The Insurance Bowling League of New York City will hold its annual banquet May 20 at the Downtown Athletic Club. About 200 are expected to attend. The league's bowling season ends this week. Awards to the leading teams will be made at the dinner and there will be a program of entertainment. W. J. Steinfield, Chubb & Son, is president and G. H. Baird of General Reinsurance is chairman of the banquet committee.

Howard Jackson of the Riall-Jackson agency of Baltimore, who has served four terms as mayor of his city, was defeated for reelection Tuesday.

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EDITORIAL COMMENT

Resourcefulness of Some Rural Agents

We have evidences now and then of the splendid work being done by small town agents. Just a few weeks ago the whole country was in mourning because of the untimely death of R. W. Forshay of Anita, Ia., a hamlet of 1,000 people. In the annual special automobile number of THE NATIONAL UNDERWRITER appeared a contribution from A. J. Peters of Issaquah, Wash., a burg of about 760 people. Mr. Peters does a large business for a country agent. He is ingenious and he renders special services to draw people to his office and become acquainted with him and his insurance facilities. For instance, he tells about obtaining automobile licenses for car owners. His office has become the main place now in his community to get new licenses, transfers of title and reissues of title. Mr. Peters did not go about this service in a mechanical way but he studied the law and became fully cognizant of its various provisions, rules and regulations.

In Washington trucks hauling for others must take out a common carrier permit from the state. Mr. Peters again became acquainted as to the provisions regarding these permits and soon became known as the person in the neighborhood who was an authority. These permits require that liability insurance be filed with the state.

Drivers licenses are renewed in Washington every two years. Mr. Peters again found it difficult to convince the state officials that in his community his office should become a center for the public to get their renewals.

All the state officials now agree with him and therefore he is the driver's license man. Again he became acquainted with all the ins and outs of the drivers license law so that he can talk with knowledge to applicants for licenses.

Perhaps the widest spread of his wings was with the federal income tax. Inasmuch as the income tax this year brought into its fold a greater number of people, reached out into the country and had taxpayers who never had a sufficient income to file a tax blank before, Mr. Peters saw another chance for practical service. Therefore he found that a great majority of his constituents and neighbors were confused. He offered his services in making out these returns, collecting the money and remitting it to the proper office. He delved into the income tax law so that he could give the proper advice. In addition to all these services he does general notary work.

He does not offer these services without compensation. He has a regular fee because this work that he does is time consuming. Now the fees from these services take care of almost all his overhead expense. The value of what he is doing, he finds, is the continuous round of contacts made right in his own office. Here, therefore, is a local agent in a very small town who has the vision, the ingenuity, the sagacity and acumen to make himself the insurance man of the community and he has no opposition. His policy might well be emulated by others.

The Alternative to the Lea Bill

There are several moves and proposals afoot that bear importantly on the future of the aviation insurance business in the United States. One of these is the Lea bill which has been introduced in Congress and which is expected to come up for action this summer. The bill would put the Civil Aeronautics Administration in the aviation insurance business by creating a fund to provide war risk air insurance and reinsurance, and air reinsurance.

One of the principal purposes of the Lea bill appears to be to obviate the necessity of direct aviation insurers going into the English market for reinsurance. A large share of reinsurance placed abroad on aviation risks has been going to London Lloyds. There is some feeling in Congress and among aviation interests that information to foreign in-

surers concerning American aviation risks would place the latter at a competitive disadvantage in the post-war air boom that is anticipated.

The challenge of the Lea bill can be met in two ways, by attempting to rally politically enough strength to defeat it, though there is some doubt among insurance men that this can be done, or by offering an alternative.

The alternative that naturally suggests itself is that the American insurance market with its enormous capacity and broad experience is certainly large enough and able enough to furnish all of the direct and reinsurance coverage the American aviation market will ever need. The same job has been done and is being done daily in workmen's compensation, where the liability is almost limitless. It will be some years before

the aviation business develops as much risk or reaches the proportions of workmen's compensation. Yet the market has met the demands for direct cover and reinsurance capacity quite successfully.

Such a suggestion does not exclude from some plan for using the American market those companies that are now in the aviation field, or those that are not in it. Several of the latter are preparing now for entry into the aviation insurance market when the war is over. This will be a natural development. There is indication that some of the carriers now writing aviation insurance would favor a larger, more individual participation in the aviation insurance field, either now or after the war.

Prompt and cooperative action in offering a positive answer to the Lea bill seems to be called for, not only to avoid an immediate capture of the air line reinsurance field but also potential expansion of direct government participation in other insurance lines for which this would provide a strong precedent.

Ceding of reinsurance to American insurers rather than to English capacity would, it is felt, stimulate competition in the direct writing of American aviation risks by American companies. It would give those outside the present aviation insurance markets enough experience with the business so that they might enter the direct writing field when the anticipated expansion in civil aviation occurs after the war. But direct

writing of aviation insurance by other American companies is inevitable, anyway.

There should be no uneasiness on the part of the aviation industry or the government that American insurance can handle the job, even if there should be future periods that may show bad experience in the aviation and air transport industry.

However, the American insurance business will have to move ahead of the industry it insures if it intends to serve it. In so many other lines, the insurance has been created to protect values after they have been created, has grown slowly with slowly developing values, as automobiles; has been gradually forged as an instrument for meeting social-economic problems, such as workmen's compensation and automobile financial responsibility.

But with aviation, this won't do. After a normally slow growth, the aviation industry suddenly found itself engaged in a war. Its technical development is being advanced extremely rapidly while it functions on a reduced civil scale.

In the time gap thus created on the civil front the men vitally concerned in aviation's future are thinking, proposing and making such preparations as are possible in advance of the return to peace. The thinking of insurance men will have to be as thorough and as forward as those in the industry it has served if they hope to continue to serve it.

PERSONAL SIDE OF THE BUSINESS

R. A. Parker, manager of the Cook County Inspection Bureau in Chicago, who has been undergoing a siege of illness, is now able to take short walks near his residence. He was confined to a hospital for five weeks and since then has been recuperating at home.

Lee C. Mennemeyer, St. Louis local agent, is a patient in St. Anthony's Hospital, and is scheduled to undergo a major operation.

S. R. Overall, vice-president, F. D. Hirschberg & Co. of St. Louis, became the grandfather of twins, a boy and a girl. The parents are Lieut. and Mrs. James Garneau Overall.

E. A. Henne, vice-president and western manager and Secretary H. W. LaRue of America Fore journeyed to Lexington, Ky., to present 25-year service medals to the **Davis & Wilkerson** agency of that place. Davis & Wilkerson have represented Continental a quarter of a century. Mr. Henne and Mr. LaRue were hosts to the agency organization at a luncheon.

Ernest A. Paviour, president of the R. S. Paviour & Son agency, Rochester, N. Y., was honored by fellow alumni of the University of Rochester for "conspicuous service to the university and contributions to the nation and community" at the commencement week din-

ner of the alumni. Mr. Paviour, a member of the class of 1910, received the citation given each year to the alumnus considered to have made the most outstanding contribution to the university.

Richard Smith, 63, former chief of the Pittsburgh fire department and special agent for Logue Brothers in Allegheny county, retired May 1 and will make his home in St. Petersburg, Fla. Known throughout the country for his fire prevention activities, he became associated with Logue Brothers immediately after his retirement in 1935 from the Pittsburgh fire department after 20 years of service.

Harry G. Spaulding, Florida state agent and formerly home office agency superintendent of Great American, has completed 25 years with the company. He received from President Robert S. Glass of the Quarter-Century Club a bronze certificate of membership and a silver identification tag. After leaving home office work on account of his health, he served as state agent for Maryland, Delaware and the District of Columbia before going to Florida in 1932.

Lieut. (j.g.) **Margaret Harding Cecil** of Evanston, Ill., has been appointed procurement officer for the women's reserve of the navy in the ninth naval



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district and assumes her post at Chicago this week. She has been a member of the Waves since last August. She was formerly stationed at the Waves Training School at Smith College where she had charge of uniforming the recruits and more recently has been in Washington attached to the office of Lieut. Commander Mildred McAfee, director of the Waves. She is a daughter of John C. Harding, resident vice-president in charge of the western department of the Springfield F. & M.

DEATHS

M. Quincy Haas, 48, who had for several years conducted the general agency of Quincy Haas, Inc., first in St. Paul, later in Minneapolis, died there. He had been in the insurance business most of his mature years. For nearly 20 years he was associated with the Matteson Co., St. Paul local agency. He was a son of J. Quincy Haas, dean of St. Paul insurance agents.

Mrs. Maybell Haas, who for several years was associated with her husband, will continue the business. She will be the first woman general agent in Minnesota.

Walter A. Berg, 70, vice-president and insurance manager of Lyons & Johnson, Denver real estate and insurance firm, died there. Mr. Berg was widely known among insurance men. He went to Colorado from Boston in 1904, having been identified with the fire insurance business in Boston. He was a personal friend of W. R. Hedge of the Boston and Old Colony, who died recently. Mr. Berg entered insurance in Colorado Springs, and in 1907 moved to Denver, where he became associated with Lyons & Johnson.

Funeral services were held in Palo Alto, Cal., for **Walter M. Speyer**, 77, veteran of more than 50 years in the business on the Pacific Coast and retired United States manager of New Zealand and South British. A native of San Francisco, Mr. Speyer served in practically every capacity and spent several years in the Pacific Northwest. He retired in 1934. He was secretary-treasurer of the Underwriters Fire Patrol of San Francisco for 20 years and a director at the time of his death.

Malcolm E. Hippard, who had been manager of the Pacific Coast operations of Joseph Froggatt & Co. since 1939, died at his home in Oakland. He was only about 40 years of age. Before going to the Coast he had served for a number of years as assistant manager of Froggatt & Co. in Chicago and had been with that organization in all about 15 years. In his earlier days he was in the accounting department of Firemen's in Chicago.

Lieut. W. P. Ackerman, Jr., was killed in a plane accident on the Pacific Coast. He was the son of W. P. Ackerman, local agent and hail insurance adjuster at Sidney, Neb. Lieut. Ackerman, who was in the army air corps, had previously had some narrow escapes in the war. He went to the southwest Pacific last year, and in the Java Sea was aboard the Langley with his P-40 when the Langley was sunk. Lieut. Ackerman was picked up by the Pecos, which was subsequently sunk. He returned to the United States and was in the hospital for some time with a shrapnel wound in the hand. When he was discharged from the hospital he went to Florida for further training and then recently was transferred to the Coast. A brother, Robert, who is graduating from high school this year plans to join the air corps.

William P. Brinkerhoff, 76, who had been in the brokerage business in New York City since 1886 and was a prominent figure, died at his home in Mt. Vernon, N. Y., after a long illness. Mr. Brinkerhoff entered the insurance brokerage office of his father in 1886 and later conducted his own brokerage business.

Kentucky Agency Leader Dies at Columbia Home



G. R. REED

G. R. Reed of Columbia, Ky., 54, a former president of the Kentucky Association of Insurance Agents, a member of the Kentucky association executive committee and national state director, died at his home Friday afternoon after nine months' illness, the funeral services being held last Sunday. He held various offices in the Kentucky association since 1922 and was national councillor following his two terms as president in 1934 and 1935. He was prominent in his locality both in business, political and civic circles. He was interested in the lumber business and was a director of the leading bank of Columbia for a number of years. He had gone off to one of his farms in the vicinity of Columbia a few days before his death. He had not been able to attend to business for a long time, but was kept in official post by the state body.

He was largely responsible for the Wolf Creek Dam project located in southern Kentucky near Columbia. About six years ago he was a candidate for state senator but was defeated. He had always been active in Democratic circles. He was a member of the Christian Church and was a past president of the Columbia Rotary Club. His agency was conducted under the name of Reed Bros., his brother, Edgar W., being his partner. Edgar Reed is state agent of Sun.

When the National Association of Insurance Agents held its annual meeting at Dallas in October, 1937, when he was National Councillor, Mr. Reed suffered a heart attack and was taken to a hospital. Later he was able to return to his home and again pursued his wonted way but at a lighter gait. However, he had a relapse and for the last year he had been inactive.

In 1935 he merged his business with that of Brown-Crosby & Co. He was for many years secretary of the Drug & Chemical Club and was a director of the Insurance Brokers Association of New York. A son, W. W. Brinkerhoff, who was associated with his father and then went with Brown-Crosby & Co., is in government service now.

Henry B. Hewett, manager of the First Kentucky Fire, Louisville local agency, died there, following two operations. He had been ill 10 days. Mr. Hewett had been an active member of the Louisville Board for a number of years as well as a member of the Kentucky and National associations. A memorial meeting for Mr. Hewett was held by the Louisville Board Monday afternoon.

Roy M. Coon, chief engineer of the sprinkler department of the Pacific Board and prior to that, 7½ years inspector with the Chicago Board, died in San Francisco after a heart attack. He

had been with the Pacific Board since 1921.

Charles D. Hopkins, prominent in the insurance and brokerage business in Colorado Springs for many years, died in a Phoenix, Ariz., hospital. The agency will be continued by Chas. D. Hopkins, Jr. Another son, George Hopkins, is a sergeant in the army at Luke Field, Ariz.

H. E. Chrismer, for a number of years a partner in an agency at Scottsbluff, Neb., who retired some years ago, is dead.

Bates and Rose in Change

R. J. Bates has been appointed special agent by Millers National and Illinois Fire succeeding R. B. Stitt in south side Chicago. Mr. Bates has been with Millers National for 16 years, being Cook county fire underwriter for five years. He is a native of Chicago and graduate of St. Vincents college, Latrobe, Pa. Mr. Stitt has gone into war production work as plant superintendent Buell Manufacturing Company, Chicago. **D. R. Rose**, Ohio underwriter, becomes Cook county fire underwriter. He has been with Millers National 18 years, for two in the former general agency in Salt Lake City.

Commissioners' Committee Shifts

Commissioner Read of Oklahoma, secretary of the National Association of Insurance Commissioners, has announced the appointment of Commissioner Sullivan of Washington as member of the committee on fire prevention and of James D. Reeder, new actuary of the Illinois department, as a member of the blanks committee.

Claude Heydrick, former president Battle Creek, Mich., Association of Insurance Agents, is in a local hospital with a serious heart ailment. He is associated with the P. D. Worgess agency.

Publisher Fuller to Speak at National Board Rally

NEW YORK—Walter D. Fuller, president Curtis Publishing Company, will address the annual meeting of the National Board in the Waldorf-Astoria Hotel, New York City, May 27.

President Robert P. Barbour, Northern of London, will report problems of the fire insurance business in connection with the war. The executive committee also will report. The board's gold medal awards to the newspaper and radio station adjudged to have performed the most meritorious public service in the field of fire prevention in 1942 will be presented.

Officers and five members of the executive committee to succeed those whose terms expire will be elected. Reports of other standing committees will be distributed to members prior to the meeting.

Because of the war, the annual National Board day dinner will not be held this year.

Indianapolis Wins North America Anniversary Cup

North America's cup, offered last year in connection with its 150th anniversary, has been won by the Indianapolis service office. The award is for excellence in service results. The Dallas office was runner-up.

Calvin S. Roberts, assistant vice-president of North America, presented the cup to Charles B. Crist, acting manager at Indianapolis at a dinner in Indianapolis. Alfred H. Benjamin, manager of the service office during the campaign, is now in the army as a first lieutenant, Camp Lejeune, N. C.

Each of the 32 service offices of the company in the U. S. and Canada, competed for the cup, which is a handsome silver bowl especially designed for the anniversary.

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New Compensation Graded Expense Program Advanced

Casualty Executives Association Submits Plan to National Council

NEW YORK—The stock companies have developed a new program for rating of workmens compensation which, if approved, will result in substantially reducing the cost and will provide added incentive for the prevention of accidents and occupational diseases. The program has been filed by the casualty research committee of the Association of Casualty & Surety Executives with the Compensation Rating Board of New York and the National Council on Compensation insurance. It provides for reduced commission ratios on the part of agents and brokers and likewise reduction in the charge for company services rendered.

The program applies to all risks paying annual compensation premiums of more than \$1,000 and in certain circumstances to those of \$1,000, but in no case to those having annual premiums of less than \$1,000. It applies the principle of levying service charges on the basis of their actual expense in place of a fixed percentage of each dollar of premium paid. It provides four elective plans, the first being a guaranteed cost plan and the remaining three retrospective rating plans.

Plans Are Outlined

The guaranteed cost plan provides for a reduction from the "standard premium," reflecting reduced expense loadings without further modification because of loss experience. The second is a retrospective rating plan providing for the maximum premium to be the "standard premium" but offering substantial savings in the final adjusted premium if the loss experience is better than average. The last two plans differ from the second in that premium penalties will result if the loss ratio is higher than average. However, the possible savings in final adjusted premiums are greater than in the second plan and provide a greater incentive for accident prevention. They will be more appealing to very large risks, particularly self-insurers. The two plans differ only in the possible reduction from the "standard premiums." The third plan is similar to the present retrospective rating plan and the fourth provides a greater swing by making the basic premium the minimum premium.

The proposed program which has been developed by the committee after a series of conferences with representatives of agent and broker organizations, does not involve any change in the present manner of gathering compensation experience or in the present method of determining and establishing basic rates. It does not change the use or principle of experience rating.

Saving to Employers

The program provides, the report states, a positive saving to every employer whose compensation insurance premium exceeds \$1,000. For example, an employer pays \$5,000 for his compensation insurance. Of this amount 9.5% is for company service other than claim and engineering service. Under the new program, he pays only 4.1% for this service on the \$4,000 of premium in excess of \$1,000. On this same \$4,000 he

(CONTINUED ON PAGE 34)

Public Opinion Survey Results Told

"Ad" Men Hear of Over- whelmingly Favorable Reaction to Sampling

NEW YORK—Nearly two-thirds of the American people regard the insurance business as honest and efficient and the remaining one-third think it no better or worse than any other business, according to the public opinion survey conducted for the Bureau of Advertising, American Newspaper Publishers Association, by Industrial Surveys, Inc. The results of the poll were revealed before the spring meeting of the Insurance Advertising Conference this week.

Harold K. Philips, publicity director, Association of Casualty & Surety Executives, conducted the session and was assisted by Frederick Dickinson, bureau of advertising, and H. Lloyd Churchill, vice-president, Industrial Surveys Company.

The poll was taken by mail and street interviews and leaves no doubt that the public still overwhelmingly supports the American system of private enterprise. More than 98% of the people say that insurance companies are entitled to a profit, the majority believe that 10% is reasonable while some would allow profits ranging from 20 to 50%. The local agent and broker are far ahead in public preference as the source of insurance service.

More than 83% voted for the local agent or broker and believe that they should be paid reasonable commissions for their services. The poll showed that 45% of the people specify their preference for a company when buying insurance, the remaining leaving the selection of company to the agent.

The most important thing in selecting a company, according to this survey, is its financial responsibility and the next most important thing is the company's record of paying losses. Apparently the public is generally satisfied with the handling of claims, with only 6% expressing dissatisfaction over experience they have had. More than 96% of those questioned stated that they were pleased with the services of their agents and brokers.

The survey revealed that the public is well informed about the reasons for insurance companies maintaining substantial resources, but it is decidedly bewildered with respect to changes in insurance rates. The poll which covered all kinds of insurance except life was framed on 23 questions propounded by a committee of insurance advertising and public relations managers.

Row Over Mo. Receivership

JEFFERSON CITY.—A legal controversy, with political angles, has developed over the custody of about \$850,000 involved in the receivership proceedings in Cole County circuit court in connection with the Missouri assets of Fidelity Assurance Association of Wheeling, W. Va.

Dewey S. Godfrey of St. Louis, former chairman of the St. Louis Democratic city central committee, was named as receiver under proceedings brought by Attorney General McKittrick, also a Democrat, in the name of Russell Maloney, supervisor of corporations, in the office of Secretary of State Dwight H. Brown, another Democrat.

Superintendent Scheufler, Republican, is contending that his office should have custody. He is represented in the litigation by Republican National Committeeman Mattingly and Walter R. Mayne.

A bill has been presented to the Missouri assembly to compel the circuit court to appoint the superintendent of insurance as receiver.

Cancelled Contracts Cause Credit Cover Activity

Credit insurance is currently enjoying a boon that is most acceptable to the producers but that is adding to the apprehensiveness of the underwriters. Producers who have looked into the possibility of credit insurance have been surprised at the favorable reception that proposals receive, particularly from manufacturers.

Many manufacturers are conscious of the fact that they are running a credit risk with the government canceling a number of contracts when production of certain types of material exceed current requirements, and for other reasons. Apparently more often than not when such a contract is canceled, the contractor lacks funds to pay the manufacturer and even if he has funds he is likely to tell the manufacturer that he will pay him when he has received payment from the government for work done up to the time of cancellation of the contract. The contractor makes his claim against the government but frequently there is a prolonged delay before payment is received. The credit insurers have already made payment to several manufacturers under situations of this kind and then they proceed to try to get salvage from the contractor.

Manufacturers are anxious even about their credit to some of the contractors that have become well known in war production but who were not especially important operators prior to the war. It is difficult to get statements from some of the war contractors.

Those extending credit and the credit insurers have an underlying fear of what will happen when the war ends and contracts are canceled wholesale. It is this fear that makes credit insurance particularly salable today and it is also the thing that causes the underwriters to be most apprehensive.

Rate of Drop in Auto Deaths Less Pronounced in March

The traffic death toll for the first quarter of 1943 was 5,050. For the same period last year it was 7,960. The reduction this year was 2,910, or 37%, the National Safety Council finds.

However, the monthly reductions brought about by wartime traffic restrictions are becoming smaller, not only in relation to 1942, but also to the more normal traffic year of 1941.

For instance, the January toll this year was down 45% from 1942 and 41% from 1941. The February toll was 34% below 1942 and 40% below 1941. But the March toll was only 28% less than last year and only 35% below that of 1941.

The March traffic toll was 1,770, as compared with 2,460 last year and 2,740 in 1941.

Companies Suffer Loss of Young Attorneys

Companies find that their staff of attorneys throughout the country handling claims has been almost decimated on account of war. Casualty companies have an attorney in every important point and in larger cities have their own branch offices with their own claim people. The war has done much to dislocate the attorneys as so many young attorneys have gone into war. Hence it means that more trips are taken in territory by company claim men, especially where there are exceedingly important cases.

Hartford Counters with New Slash in Boiler Rates

Warfare Continues at Dizzy Pace—N. Y. Meeting Next Week

In a continuation of the rate war in the boiler and machinery field, Hartford Steam Boiler on Monday made effective deep rate cuts from its Feb. 1 manual, mainly in the boiler section. It had been estimated that the May 1 boiler manual of the National Bureau of Casualty & Surety Underwriters produced rates on the average from 15 to 20% below the Hartford's Feb. 1 manual. However, this latest move of Hartford Steam Boiler puts the two factions nearly on a par rate-wise.

The basic policy of the National Bureau companies provides in addition to pure explosion coverage such things as expediting, piping, malicious mischief, contents, additional objects and bodily injury liability whereas the basic policy of Hartford Steam Boiler is stripped of such features and if they are desired additional charges must be paid. If the assured desires these extra features then the rates of Hartford Steam Boiler are still somewhat higher than those of the National Bureau companies. However, the rates for the basic policy of Hartford Steam Boiler are just a trifle less at some points than the rates for the basic policy of the National Bureau companies.

With the scales now so even, it is believed the main cost difference to a substantial assured will arise out of the premium gradation plan of the National Bureau and the premium zone plan of Hartford Steam Boiler and in this respect the National Bureau has the edge.

The kaleidoscopic changes in the boiler and machinery field have put even the experts in a daze and the agents are completely bewildered. Insurance programs have been figured and refigured and then figured again in the wake of one after another bureau or Hartford Steam Boiler change. Most agents have been recommending to assured that they sit tight and wait until a point of greater stability has been reached, so that a comparison can be made of the rates and coverage of the two markets that will be valid for more than a few days.

Because of the great reduction in rates most of the bureau companies appear to be resorting only very rarely to equity rating. The executives feel that the rate level is too low to justify the application of equity except in isolated cases.

Apparently so far very little boiler business has been switched either from bureau companies to Hartford Steam Boiler or vice versa because of the changes in rates and cover. Assured who have been told of the new advantages of a competing market, seem to have been content to wait to see what their own insurer would do. The agents have been able to prevent their customers from making a hasty decision to place their insurance elsewhere.

There is to be another meeting of the boiler insurers with the New York insurance department May 11-12. The New York department has declined to approve either the Hartford manual or that of the Bureau and is seeking to get the two interests to agree on a single procedure. Another sharp point

(CONTINUED ON PAGE 34)

Travelers' Plans for Indiana Auto Drive Outlined

INDIANAPOLIS—H. C. Leavens, assistant superintendent of agencies, and John H. Eglof, supervisor of agency field service of Travelers, met with a group of the company's producers at a luncheon meeting here to discuss the new Indiana financial responsibility law, which becomes effective July 1. They participated in the special campaign which that company and others put on in New York two years ago. Travelers alone in a short time after the New York law took effect added 50,000 policies in that state. Both Mr. Leavens and Mr. Eglof believe that a like achievement is possible in Indiana.

Much of this business will be written within a month or six weeks after the law becomes effective and they stressed the importance of getting an early start in soliciting business, which can be had almost for the asking. S. J. Whiteman, Indiana manager, presided and introduced a number of guests.

General Uncertainty No Deterrent

Mr. Leavens said this will probably be the biggest campaign on a single line of insurance that has ever been put on in Indiana. Uncertainty as to the general outlook should not deter any agent from putting his best into this special effort. Unless agents get back of this measure and sell a sufficient volume of insurance, there is danger that compulsory insurance will be the next step. He said this is not an insurance company measure but expresses a demand of the public that disastrous losses which result from accidents caused by financially irresponsible drivers be stopped.

He advocated the chain method of production—that one or more new prospects be picked up with the sale of each new policy. He definitely favors planned canvassing rather than cold canvassing. Workers in war production plants may not be accessible at their places of business but they can be contacted during lunch hours and at their homes.

It is important now to write as big a volume of business as possible to carry over the slump which is very likely to come when war ceases if history repeats itself, he said.

No Shortage of Prospects

Mr. Eglof displayed the "ammunition" the company has prepared for use in this special drive. He said there is no danger of running out of prospects because of reduction in use of automobiles. In Connecticut, where gas is rationed practically by the drop, the number of cars in use has declined only 7%. In Indiana, with the more liberal rationing and the large number of defense plants there should be even less decline, if any at all. He said the cost of automobile insurance is now so low and the coverage is so broad that there is little to be feared in the way of arguments about cost. The defense plant worker, he pointed out, is really insuring his job by making certain he will not be put off the road by an uninsured accident.

The agent does not have to discuss all points of the measure, nor will he have time to do so. All he needs to know is that the operator of a car who has an accident must put up \$5,000 for personal injury and \$1,000 for property damage, \$11,000 in all in securities, money or insurance, and he must do it within 45 days after an accident—not after a judgment, but after an accident.

The fellow who has an accident without insurance will be after it right away, Mr. Eglof predicted, so that he will not be caught again. He told how some of the New York agencies capitalized on the opportunity they were given two years ago.

Mr. Leavens and Mr. Eglof will hold meetings in other points in Indiana before returning to Hartford.

Advertising Speaker Aetna Casualty Trio Explains Plans for Securing Business



WADE FETZER, JR.

Wade Fetzer, Jr., vice-president W. A. Alexander & Co. of Chicago, gave one of the important addresses at the meeting of the Insurance Advertising Conference in New York City this week. Mr. Fetzer has given much attention to education, business production, advertising and agency management.

WDC Interpretation of Money, Securities War Damage Cover

NEW YORK—The Money and Securities War Damage Group, which handles underwriting of money and securities for War Damage Corporation, has issued a statement of interpretation of the provisions of the WDC money and securities policy on loss settlements, requirements of the assured and subrogation and salvage.

The interpretation states that requirement that the assured shall furnish a complete inventory of damaged or destroyed property shall apply only to money and securities insured against war damage and which has been actually damaged by enemy attack or action of American forces in resisting enemy attack, and not to all money and securities of the assured. In case of salvage, it states that the assured will be entitled to any salvage recovery until he has been indemnified to the extent of this inventory.

Replacing Money, Securities

The policy gives WDC the option to replace destroyed money and securities. The interpretation states that WDC intends to do so only when it can replace in kind all the money and securities involved in a loss or when the cost of replacement and paying the balance of the loss will be less than the amount of insurance carried. If the loss exceeds the amount of insurance, then WDC, if it elects to replace, will replace all the lost property, even though the value of the destroyed money and securities is more than the amount of insurance.

Additions to Ia. Casualty Table

Mid-Western Casualty of Iowa has now filed the figures on its 1942 operations in Iowa. Premiums totaled \$175,682 and losses \$79,232. The fire business of Home Mutual of Iowa which was not included in the Iowa table as was the fire premiums of other companies in that state that are permitted to write both fire and casualty, should also be added to the Iowa total figures. These additions would bring total premiums and losses in Iowa for 1942 to \$22,851,067 and \$8,823,997.

INDIANAPOLIS—A one-session school was held here following a luncheon by representatives from the home office of Aetna Casualty to develop plans for getting a share of the increase in automobile business which is sure to follow when the new financial responsibility law goes into effect July 1. John Johnson of the home office automobile underwriting department, Austin Bryan, agency supervisor, and Morris O'Brien, agency department, were speakers. R. C. Griswold, manager Indiana department presided. About 60 producers were present.

Copies of the new law, which closely follows the New York financial responsibility act, were provided for reference. Mr. O'Brien pointed out high spots in the act that will stimulate sale of automobile P. L. and P. D. Mr. O'Brien said while the measure is not compulsory as in Massachusetts, it can be termed as "voluntarily compulsory."

License Can Be Lost

It will be easy to show motor operators that it will be very risky to be driving without ample insurance to satisfy the requirements under law in event of an accident involving personal injury liability or property damage in excess of \$25. Within not less than 10 days nor more than 45, after an accident, the involved motorist must put up security "sufficient in the discretion of the commissioner to indemnify the injured party against loss" and to guarantee payment thereof. The limits of \$5,000/\$10,000 for personal injury claims and \$1,000 for property damage established the required indication of financial responsibility at \$11,000. Approved insurance or the deposit of cash or acceptable securities must be made. Failure to qualify means forfeiture of license to operate and suspension of registration of the operator's car.

Mr. O'Brien pointed out that 62,666 licenses had been suspended in New York since the similar law went into effect there and \$567,000 had been deposited in cash and securities by those who did not have insurance. From 20% having automobile P. L. and P. D. when the law became operative the percentage of persons thus insured quickly advanced to 80%.

Necessary to Plan Now

Mr. Johnson discussed the subject from the viewpoint of the underwriter, saying that producers can be very helpful in the selection of risks for the company. While the underwriter is just as anxious as the producer to see good business put on the company's books, yet it is his duty to eliminate as far as possible undesirable risks. He said the harvest of new business will be pretty well gathered in Indiana between July 1 and August 1, so it behooves producers to make their preliminary plans as soon as possible.

Border line risks, he said, probably will be carried by pooling but it is to be remembered that the intent of the law is to eliminate reckless and incompetent drivers. If companies enter a pool it will no doubt be only on condition that all other companies, stock, mutuals and reciprocals likewise, be members. Mr. O'Brien quoted the company's experience with various groups and classifications. Minor owned cars have a bad record. On a 100,000 risk basis, age 16 contributed 201 losses, age 17 186; age 18 148, and years 19 to 21 inclusive, 215. Lack of experience accounts for the higher accident rate in lower ages.

Next in record for undesirability based on accident experience are the impaired risk drivers.

Mr. Bryan, agency supervisor, described in detail the Aetna's new residence and outside theft policy which combines within one coverage many

Cal. X-Ray Damage Cases Are Being Pressed

LOS ANGELES—The cases begun last October by employees of California Shipbuilding Corporation against the operators of the first aid station at the yards, the compensation insurers and the corporation for damages on account of injuries allegedly sustained through wrongful use of the fluoroscope, have bobbed up again in the press and in the courts.

Originally the actions involved 37 employees, but now the number has increased to at least 55.

Attorneys Arthur Garrett and Crider, Runkel & Tilson are representing the plaintiffs, and temporarily, at least have won their point that the cases be tried in the California state courts and not in federal court.

Attorney Lasher Gallagher, representing Liberty Mutual, held that the cases were triable only in the federal courts, but Federal Judge Hall has ruled that it is an issue for the state courts.

What the Plaintiffs Allege

The plaintiffs allege they were exposed to x-rays for too long a period and sustained burns that have resulted in amputations of arms, hands, fingers, feet and toes, and that it was impossible at the time of filing suits to determine to what further extent they will suffer injuries.

The defendants in the original suits were Drs. Robert W. Stellar and Isaiah Waterman, eight named employees and 30 Richard Roe and John Doe employees of the first aid station. Dr. Stellar at the time was head of the first aid work at the yard, having been employed by Calship and Liberty Mutual. He no longer is in charge of the station.

Liberty Mutual is seeking to have London Lloyds, insurer of Dr. Stellar under a malpractice policy, pay to Liberty Mutual under subrogation rights such amounts as finally may be determined as Lloyds liability, rather than to the injured employees.

The injured have been paid workmen's compensation benefits, but they are asking damages totaling about \$5,000,000.

N. J. Casualty-Surety Premiums Up

TRENTON—According to figures just issued by the New Jersey department, the net premium total of casualty and surety companies, both stock and non-stock, for 1942 was \$77,574,457, which is more than \$8,500,000 ahead of 1941 figures.

points of protection not formerly available in a single policy. He recited the hazards covered including theft, burglary, larceny, robbery and mysterious disappearance. With all the added protection, the rate remains the same as for the former residence burglary policy which it displaces. The broad provisions of this new policy automatically apply to existing policies.

He showed advertising material the company has provided for producers to use in selling this policy. The company's combined residence policy also was explained bringing in the personal liability and other features.

Movie Used in N. Y. Is Shown

The session closed with presentation of a movie which had been used with excellent effect in New York following enactment of the financial responsibility law there. All who participated in the making of this film were Aetna Casualty Company representatives except one state policeman.

I. W. Sturgeon, associate manager Indiana branch, arranged many details. Similar sessions are being held at other points by the trio from the home office.

Give Up Hope of One Casualty-Fire Interstate Formula

Two Problems Far Separated, It Develops at N. Y. Meetings

NEW YORK—Whatever slim hope there may have been for getting the fire and casualty insurers together on a single nationwide rating plan evaporated completely at the meeting of the fire and casualty company advisory committees of the National Association of Insurance Commissioners committee on interstate rating. Former Superintendent Pink of New York was chairman of this committee and as is the custom acting Superintendent Cullen of New York has succeeded to the chairmanship. There is also an advisory committee of producers but the questions at this meeting were not such as to necessitate its presence.

As soon as it was clear that the interstate rating problems of the fire business and casualty business were too far apart to warrant continuing the effort toward a common basis the fire committee met briefly and the casualty group held a somewhat longer meeting. Joseph Collins, chief of the New York department rating bureau, said that while the report which the fire committee submitted at the last meeting of the commissioners was headed interstate rating he would like a report which would embrace intrastate business as well. Chase Smith, National Retailers Mutual, chairman of the fire group, pointed out that the committee had been asked to deal only with interstate risks but J. R. Dumont, general manager of the Interstate Underwriters Board, said that the nature of the December report was such as to apply to large multiple location intrastate as well as interstate business.

V. L. Gallagher's Views

It was indicated that the fire company committee will endeavor to incorporate in its report the point made by V. L. Gallagher, assistant U. S. manager of Pearl. Mr. Gallagher was invited to the meeting of the committee which preceded the commissioners' meeting last winter and give his opinion, which was that until there is uniform legislation in all states nothing can be done about interstate rating, that if the uncertainty is not removed sooner or later some company will become impatient and decide that the only solution is to seek federal regulation, and that until the question of interstate rating can be solved right it is better not to try to solve it at all. The committee adjourned until May 13.

Stock and Mutual Conflict

At the casualty committee meeting, the main problem was to reconcile the conflicting views of the stock and mutual representatives. It appeared that prospects for agreement on a single casualty report are considerably better than at the commissioners' meeting last winter when the two casualty representatives, H. J. Ginsburgh, of American Mutual Liability and H. W. Yount of Liberty Mutual, submitted a minority report in which they accused the stock people of trying to use interstate rating as a vehicle "to further what they con-

(CONTINUED ON PAGE 32)

The Oregon Casualty Adjusters Association will hold its golf tournament and banquet May 10.

Objection Made to State Official Taking a Hand

Insurance people have filed a protest with Governor Green and Insurance Director Jones of Illinois against Rodney Brandon, head of the state welfare department, in sending a letter to state employees calling attention to Northern Illinois Hospital Service of Rockford which offers hospitalization service and is an enterprise conducted without profit. The recommendation is sent out on the state welfare department's stationery. The insurance people contend that this has violated the proprieties and that no state official should recommend any scheme of this kind. Mr. Brandon emphasized the point that it was under the supervision of the Illinois insurance department and complied with all the laws. As a matter of fact, the laws governing these concerns are not severe at all and they are not comparable with the regular insurance companies.

The hospitalization plan of non-profit organizations has developed wonderfully and there are now some very large concerns doing business, that is, large in numbers. Some are allied with big industrial or mercantile corporations. The Cincinnati enterprise called "Hospital Care" bought the old Columbia Life home office, is occupying it and has had to take additional space. Some business and professional organizations are joining in some non-profit hospital scheme.

Hold Hearing on Va. Countersignature Complaint

RICHMOND—Hearing of the complaint against Travelers and 10 others of countersignature law violations was held Tuesday before the Virginia Corporation Commission. Most of the company representatives told the commissioners they were not familiar with provisions of the law and had no intention of violating it.

Specific complaint had been filed by Oscar H. West, manager Virginia Association of Insurance Agents, that C. C. Chappell, Jr., cashier of Travelers here, had countersigned certain policies while acting as a paid representative of the company. In this instance it was claimed agents had received commissions due them whenever policies were countersigned in the branch office as a matter of convenience. The commission indicated it will give a decision in a few days.

Reduce Britain Air Trip Cover

Substantial reductions in premium rates for civilian air travel passenger trip insurance to Great Britain and return have been announced by Stewart, Smith (Canada) Limited, aviation insurance brokers of Montreal. The company negotiated a joint contract with London Lloyds and British companies.

Rates recently quoted have been approximately 2% for the round trip. The new rate is ¾% of the sum insured up to \$100,000 per passenger for the round trip, which includes up to two months in Great Britain. All war risks are covered and in addition to the usual death and dismemberment clauses the insurance features a weekly payment and hospital allowances for temporary disability resulting from an accident or war injuries.

Because trans-Atlantic travel by air at present is not always available to everyone, travel by vessel is permitted under the same insurance.

G. Shannon Grover, general manager of Stewart, Smith, reports a large volume of business already placed in amounts ranging from \$15,000 to the limit of \$100,000.

The Casualty Underwriters Association of New Jersey will hold a luncheon meeting in Newark May 13.

Warm Weather Brings Out Cars; Registrations Gain

By JOHN J. HART

Assistant Secretary Compensation and Liability Department, Travelers.

Many casualty insurance men are pessimistic about the automobile situation. They seem to think that the line will shrink to a mere skeleton of its former size. Many of these same men were pessimistic regarding the prospects for 1942, during the early months of that year.

We in the Travelers refused to share those fears then and we refuse to share them now. Our optimistic attitude for 1942 was borne out by the very satisfactory results for the year. We're not saying that 1943 will be as good as 1942. We know that rate reductions and policies that are not renewed, because the cars they covered are being laid up, will cut into the volume of automobile premiums. But in spite of these losses, we are convinced that automobile liability insurance will continue to be a substantial premium producer for both our representatives and our company.



John J. Hart

Experience in New York State

A substantial volume of new business continues to flow in. Some renewals are coming back "not taken," but far more are sticking. At the end of January it looked as though we might lose a substantial part of our New York State business. The winter has been extremely severe in the east. Pleasure driving has been rigidly curtailed. As a consequence New York state automobile owners were slow in renewing their registrations and for a time it looked as though several million cars in that state might be put up for the duration. But around Feb. 1 the New York State department of motor vehicles was almost overwhelmed by one of the greatest rushes of renewal applications in history. A few warm days in February convinced other automobile owners that they would be lost without the use of their cars all summer and they sent their renewals in. When it was announced that owners of automobiles who put up their cars must surrender their gasoline ration books, others who had failed to renew their registrations decided that they didn't want to lose their ration books and abandoned their plans to put up their cars. There was some loss of automobile insurance business as a result of this hesitation to renew automobile registrations in New York State but some of that business is again being written as alert agents resolicit these automobile owners who have decided to keep their cars in operation.

Situation Is More Encouraging

The automobile insurance situation looks more encouraging today than it did a few months ago. If we can believe the reports we read in the newspapers, the rigid ban on pleasure driving is to be lifted later. It is true that the value of the "A" coupon may be cut to two gallons, but it seems likely that you will be able to use those two gallons as you please. The practice of checking up on automobile drivers to determine whether or not they are using their cars for essential purposes has been abandoned. Pleasure driving, as we formerly used the term, seems definitely out for the duration, but even if you drive only 30 miles a week, you will have plenty of opportunities to get into trouble.

There are three reasons why I believe that the volume of automobile business will not suffer a severe shrinkage during the war. First because automobile own-

ers hate to give up the use of their cars. Experience in England has demonstrated this. English automobile owners kept their cars in use even if they were rationed down to a gallon of gasoline a month.

Second, because automobile owners who are now carrying liability insurance are pretty thoroughly sold on the need for this protection. They know how easily an accident can happen. They have seen so many stories of damage suits for automobile injuries in the newspapers they are convinced that such things can happen, even to them—and when they do happen, they are costly and troublesome affairs. In other words, "liability" is no longer just a word in the dictionary to them. It is a threat to their possessions, their pocketbooks and their peace of mind. They are afraid of it and are willing to spend a little money to protect themselves against it.

Automobile Line to Hold Up Well

The third reason why I believe the automobile line will hold up well during the next few years is that price is no longer the deterring factor it used to be. For one thing the price of automobile liability insurance has been reduced substantially. For another, the public has more money to spend and fewer places to spend it. The dam has been lowered and there is more water in the river, consequently, more water will flow over the dam. When you think of the sacrifices that many automobile owners made during the depression years to keep their insurance in force, you realize how well sold the idea of automobile liability insurance has become. In those days money was scarce and the cost of automobile liability insurance was considerably higher. Many people were rigidly curtailing their driving because they could not afford to pay for much gasoline. I remember one filling station owner telling me how he knew the depression was over. Young men would drive up and order five gallons of gas. Before that they had asked for one or two gallons—and borrowed the money from the girl beside them to pay for it.

Effect of Lower Cost

When you remember how tenaciously people clung to the use of their cars during the depression years and the effort they made to keep up their liability insurance, there doesn't seem much occasion to worry at this time when the cost of automobile liability insurance is so much lower and there is so much more money around. Then, the automobile liability insurance premium often represented a week's or more pay. Today many people are able to earn the cost of protecting their possessions, their savings and their future earnings against the hazards of liability for only a few days' earnings.

Utah Responsibility Law Setup

SALT LAKE CITY.—Deputy Commissioner Howells has advised companies licensed to write automobile insurance in the state of the requirements of the new financial responsibility law, which is effective May 11. A copy of the insurer's automobile liability policy must be filed with the department for approval, together with binders used in furnishing proof of financial responsibility by owners and operators of automobiles, when required to submit proof of their status in that respect. The law will be administered by the state tax commission, under the supervision of the insurance department.

Where a company is a member of the National Bureau of Casualty & Surety Underwriters, or any other organization which has the authority to file such instruments in its behalf, the department will accept the filing of such bureau providing a certification of authority delegated to such a bureau is supplied.

ACCIDENT AND HEALTH

Four Advanced in Continental Cas. A. & H. Department

Four key men in managerial posts of the accident and health department of Continental Casualty have been advanced. They are Frank J. Stich, Armand Sommer, A. D. Hvale, and Fred B. Whiteley.

Mr. Stich, assistant to the vice-president and manager of the accident and health claim department, has been named assistant to Vice-president J. M. Smith of the accident and health department in charge of all accident, health, and hospitalization activities. As such he will be second in command of all departmental operations and will in addition continue in charge of claims. Mr. Stich will celebrate his 40th year with Continental next February. He was 14 when he joined the company as an office boy. He was in the accident and health claim department until 1922 and then served four years as superintendent of agents in the disability division. In 1926 he became adjuster in the claim department, a post he occupied until 1930. On the death of L. E. Brown he was made assistant to the vice-president in charge of all accident and health claims.

Sommer Heads Intermediate Unit

Mr. Sommer, assistant to the vice-president and acting manager of intermediate division the past six months, has been made manager and superintendent of agents in official charge of intermediate division development. He has been in insurance for 20 years, 10 of them with Continental, in sales, agency, underwriting and administrative work.

Mr. Hvale, assistant secretary and acting chief of the accident and health underwriting department, has been confirmed as official manager of that department. Underwriting operations in all accident and health divisions will be under his direction. He has been with Continental 27 years.

Mr. Whiteley, chief underwriter of the hospitalization, franchise and disability division, has been promoted to the post of assistant manager of the accident and health underwriting department in addition to his present responsibilities. He will be second in command to Mr. Hvale. Mr. Whiteley has been in the underwriting department since 1924. He was four years a liability underwriter, then traveled Illinois a year for the agency department. After some general agency experience in Chicago in 1930 he returned to Continental's accident and health underwriting department. He has been chief underwriter of the hospitalization, franchise and disability division for 12 years.

The accident and health department of Continental Casualty in the first quarter of 1943 had a 12% increase over 1942 in the same period.

Ready for President's Month

CINCINNATI — Inter-Ocean Casualty is conducting president's month campaign starting May 1. This annual campaign is an expression of esteem to the president and is unique in that no prizes, no special offers of any kind, or commission inducements are given. It is always the outstanding month in production.



F. J. Stich

Tatman Chairman, Bracken President of Reliable of Mo.

Bernal L. Tatman, who has been president of Reliable Life of St. Louis since it was established in 1912, has now become chairman and he is succeeded in the presidency by John L. Bracken. At the same time Warren F. Drescher, Jr., becomes one of the general counsel.

Mr. Tatman was born at Connersville, Ind., in 1875 and was educated at DePauw University. He is president of the Capital Town Fire and is first vice-president of Masonic Temple Association, St. Louis.

Mr. Bracken has been a director of Reliable Life.

Mr. Tatman has been in poor health for some weeks and on May 3 entered Barnes Hospital in St. Louis for a thorough checkup. He returned recently from Tucson, Ariz.

Prior to forming Reliable Life & Accident in 1911 Mr. Tatman had been an

agent and later a superintendent and division manager for Prudential. The name of the company was changed to the Reliable Life several years ago.

Mr. Bracken is superintendent of the Clayton, Mo., board of education. He is 52 years old. He received his master's degree from Chicago University and for years served on the faculty there. He is a former superintendent of schools for the state of Idaho and a former president of the Missouri State Teachers Association, a member of the executive committee of the American Association of School Administrators, and a trustee and vice-president of the Social Planning Commission of St. Louis and St. Louis County. He was elected school superintendent at Clayton in 1923. He is president of the Midwest Savings & Loan Association of St. Louis and a director of the Clayton National Bank.

Mr. Drescher has been claim department manager and assistant general counsel since 1940. George Eigel, who has been general counsel, will continue to hold that title but Mr. Drescher will be in active charge of the legal work at the home office, while Mr. Eigel will continue to devote most of his time to private practice.

Mr. Drescher received his LL.B. from Washington University, St. Louis, and his LL.M. from the City College of Law & Finance, St. Louis. He served as

assistant dean at the City College of Law & Finance from 1929 to 1941. He was associated with the prominent insurance legal firm of Jones, Hocker, Gladney & Jones from 1924 to 1938 and then entered upon private practice in his own office.

Fishback Northern Life Vice-president

SEATTLE—H. O. Fishback, Jr., has been promoted to a full vice-presidency of Northern Life.



H. O. Fishback, Jr.

Mr. Fishback, son of the late H. O. Fishback, Washington commissioner for 20 years, has been with Northern Life since 1931, when that company acquired the life business of United Pacific Life, of which he was vice-president and manager. He has been an assistant vice-president of Northern Life. He now also becomes a trustee of the

GENERAL TRANSPORTATION CASUALTY & SURETY COMPANY

HOME OFFICE: 1790 BROADWAY
NEW YORK



HAVE OPENED NEW

UNDERWRITING OFFICES

GROUND FLOOR • Corner BROADWAY and 58th ST.

CURRENT DIVIDEND RATES

LIABILITY 20%

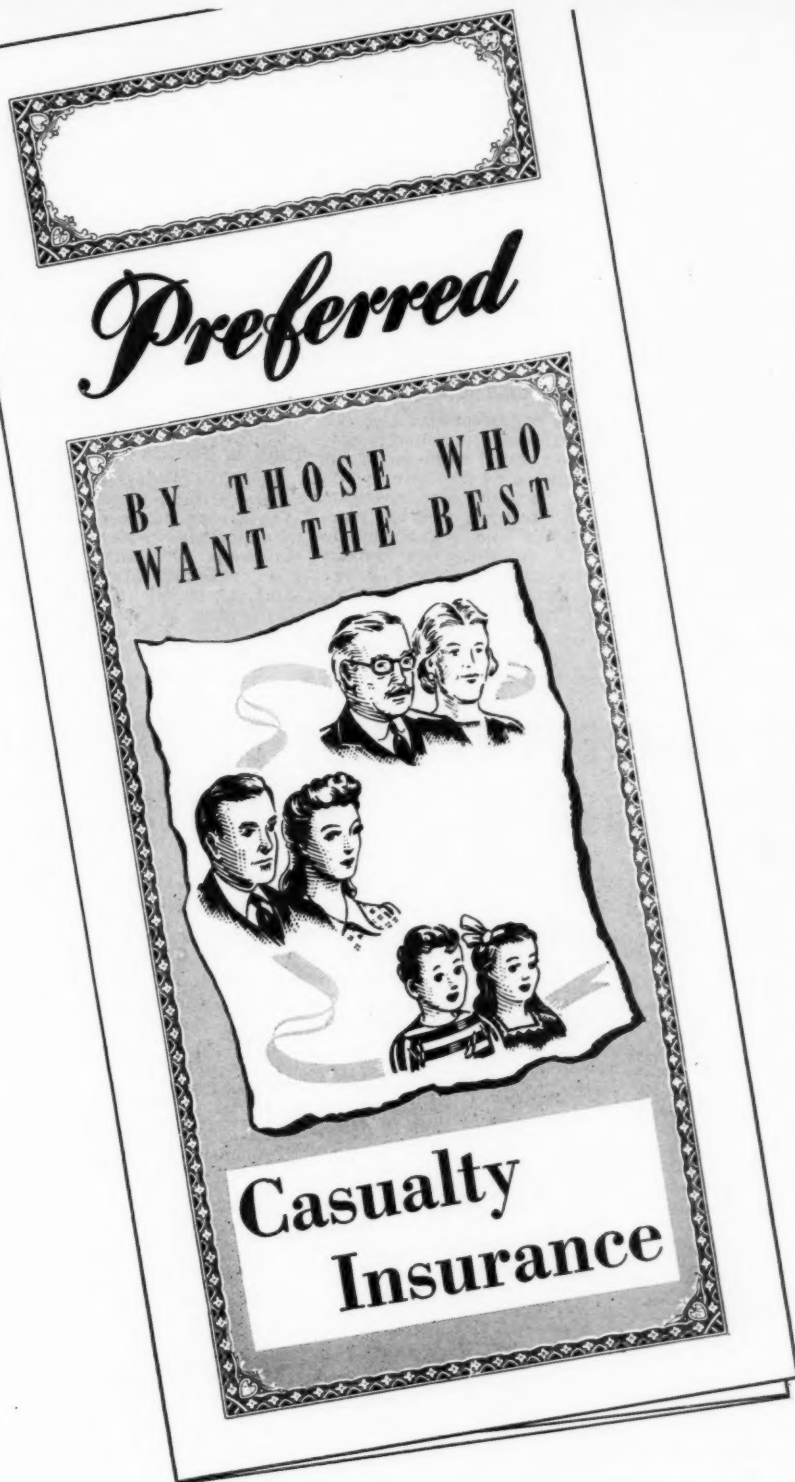
AUTO 20%

COMPENSATION 15%

ADMITTED ASSETS, DEC. 31, 1942 \$3,175,721.37

POLICYHOLDERS' SURPLUS, DEC. 31, 1942 \$1,047,611.33

COMMISSIONS TO BROKERS



EVERYONE
WANTS THE BEST
some INSIST on it!
*Those who do, usually
won't compromise.*

When a representative of the
“*Prompt Paying Preferred*”
meets this type of prospect he has
nothing to fear, because he knows
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ACCIDENT he is talking against
a background of 58 years expe-
rience in the handling of claims for
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80 MAIDEN LANE, NEW YORK

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Automobile • Accident • Burglary • Plate Glass • Liability • Compensation

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company as well as serving as vice-president.

Except for his period of service in the former world war, he was for 15 years chief examiner of the Washington department.

In addition to his new duties, Mr. Fishback will continue in active charge of Northern Life's accident and health department.

Permanent Disability Pool Plan May Be Unveiled at Conference Meeting

Adhering strictly to the idea of an "all business" session, concerned chiefly with problems of wartime interest, the program for the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach Hotel, Chicago, the afternoon of June 3 will consist of four round table discussions, at which every delegate will be given an opportunity to express his views on specific subjects.

The first of these topics is "Present and Post-War Planning in the Accident and Health Field," to be introduced by C. O. Pauley, Great Northern Life. "Underwriting During the War" is the subject assigned to E. Hauschild, Security Mutual Life, chairman conference underwriting committee, and H. J. Requarte, Woodmen Accident, legal committee chairman, will handle a discussion on "Current Legal Topics." The fourth discussion on "Effect of Group Accident and Health on Other Disability Business" has not yet been assigned.

May Be Highlight of Meeting

It is understood that Mr. Pauley, who is president of the Insurance Economics Society, will unwrap an idea that many health and accident men have been hinting about for some months: the idea of writing total and permanent disability and substandard risks through a reinsurance pool or on some similar basis. This might well be the highlight of the entire conference meeting, and may result in naming a committee to investigate social security proposals thoroughly from the viewpoint of private insurance.

Since underwriting practices have been under constant change to take care of emergency needs, Mr. Hauschild's discussion should help clarify the opinions of many of the delegates.

Although not all conference companies write group accident and health, most of them are interested in the effect of this rapidly expanding line on other accident and health business.

Offer Special Policy for Boys, Girls in Farm Work

The Health & Accident Underwriters Conference, in cooperation with the United States Department of Agriculture, is urging all personal accident companies to join in issuing a special victory farm volunteer accident policy for boys and girls volunteering to do farm work this summer. A special policy has been prepared and approved by the Department of Agriculture. It provides \$500 accidental death and dismemberment coverage in addition to \$250 blanket medical reimbursement for a term of three months at a premium of \$4. It is estimated that 500,000 boys and girls will be enrolled in this work and many of them will desire such a policy.

List Accident Bureau Speakers

Speakers at the annual meeting of the Bureau of Personal Accident & Health Underwriters May 26-27 at the Hotel Roosevelt, New York City, will be Dr. Harry W. Dingman, vice-president and medical director of Continental Assurance, who will talk on current underwriting slants; Dr. T. A. Gonzales, chief medical examiner of New York City, who will discuss accidental deaths, and John M. Powell, president of Loyal Protective Life, on the aims and some of

the cost factors of a social security program.

200% Stock Dividend by Tex. Co.

Great American Reserve of Dallas has declared a 200% stock dividend to its stockholders, bringing its capital to \$100,000. As of Dec. 31, 1942, the company, which writes accident and health, had assets of \$311,358, policyholders surplus of \$109,409 and capital of \$33,330. Its premiums in 1942 totaled \$386,728, and it paid \$49,995 in dividends last year.

E. H. O'Connor to Speak

A joint meeting of the Oklahoma City Accident & Health Association and Oklahoma City Association of Life Underwriters will be held May 17. E. H. O'Connor, executive director Insurance Economics Society and past president of the National Accident & Health Association, will speak.

Warns Against Misleading "Ads"

Commissioner Caminetti of California has issued a warning to all companies regarding advertising by radio and publication because of numerous complaints from policy buyers, particularly those of disability insurance.

Some of the advertising stresses the policy's maximum benefits which ordi-

narily would be payable only under very unusual circumstances, he said. Printed and radio advertising should contain fair statements of the normal and not the infrequently paid benefits, the commissioner states in his warning.

Canadian Business Growing

Canadian health and accident business continues to show substantial increases, according to official figures just released. The 1942 net premiums and the increase over 1941 are as follows for the five leaders in this field:

	Net Prems.	Increase
Mutual Ben. H. & A.	\$1,632,967	\$394,220
Metropolitan Life	1,417,902	101,155
Continental	1,165,420	251,328
Travelers	966,710	137,576
London Life	839,374	139,946

Launches "Pay as You Go" Plan

A new setup for promoting the sale by agents and brokers of monthly premium accident and health insurance, which is designated as the "pay as you go" plan, has been put into operation by Donald R. Compton, Chicago manager of Provident Life & Accident, in response to a request from brokers for some plan similar to the franchise plan which can be sold to individuals without the trouble of collecting each month.

It is put on a low premium basis,

with the understanding that assured effects a saving by mailing his premium direct to the branch office, thus avoiding the agent's using a large part of his time in making collections. The agent or broker collects the first month's premium and the policy fee, and the branch office takes care of renewals through the mail-pay plan.

The plan is built around three policies providing full coverage for accident and accident and health. Liberal endorsements for hospital and surgery will also be offered, as will non-occupational coverage.

Boston Claim Men Elect May 14

The annual meeting and banquet of the Boston Life & Accident Claim Association will be held May 14.

Neal Is Seattle Speaker

SEATTLE—James P. Neal, an executive of the Sunset group of Olympia, Wash., sounded an appeal for unity in the insurance industry on legislative matters in addressing the Seattle Accident & Health Managers Club. J. J. Moriarty, president of Sunset Life, also was a guest at the meeting.

President Lloyd A. Perkins announced that the annual meeting will

NEW BUSINESS-BUILDING ORDER BLANKS GEARED TO THE TIMES...

AGENT'S ORDER BLANK FOR BOND, EITHER FIDELITY OR SURETY, WHERE APPLICATION IS TO BE WAIVED.
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY RECOMMEND. OTHERWISE USE PROPER APPLICATION.

Western Surety Company
Sioux Falls, South Dakota
Chicago—175 W. Jackson Blvd.

Customer:

We (I) hereby request you to issue a bond without application on behalf of _____ located at _____ as obligor.

for the purpose of _____ naming _____ in the amount of \$ _____ to date from _____ for a period of _____ year(s), or until _____

Agents will kindly supply the following information about applicant and bond:

Age _____ Male _____ Female _____ Single _____ Married _____ Ever divorced? _____

Occupation or business _____

Approximate worth of applicant \$ _____ of spouse \$ _____

Name of former surety, if any _____

We (I) offer the following recommendations and information for your consideration in issuing the bond:

_____ Yours truly, _____

Agent's Signature _____

Agent's Address _____

These modern, streamlined business-building order blanks do away with application for bonding business which the agent can unqualifiedly recommend. They are designed to save you time—to help you get more business at a greater profit. Let us give you the complete Western Surety Profit-making story. No obligation, of course. Write us today.

AGENT'S ORDER BLANK FOR FIDUCIARY BOND, WHERE APPLICATION IS TO BE WAIVED.
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY RECOMMEND. OTHERWISE USE APPLICATION NO. 161

Western Surety Company
Sioux Falls, South Dakota
Chicago—175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING FIDUCIARY BOND, WAIVING APPLICATION:

Name of party to be bonded _____

Occupation or business _____ Address _____ Age _____ Single _____ Married _____ Divorced _____

Approximate worth of applicant \$ _____

Kind of Bond: _____

Administrator _____ Executor _____ Guardian or Conservator _____

Sale of Real Estate by Administrator _____ Executor _____ Guardian or Conservator _____

Court where bond will be filed: _____

Name of attorney _____ Date of appointment _____

What property is in the estate or trust? _____

Does the estate or trust owe any money? _____

Has applicant or any other person given bond or acted as fiduciary for this estate or trust before? _____

If so, give name of surety _____

Reason for requiring new bond _____

Is applicant indebted to the estate or trust? _____ If so, explain _____

Name and address of bank or banks in which deposits will be kept _____

Is applicant an officer, director or employee of any bank? _____ If so, give position and name of bank _____

Was deceased or ward engaged in business at the time of his death or incompetency? _____

If so, state type of business and whether it will be continued by fiduciary _____

WESTERN SURETY COMPANY
Sioux Falls, South Dakota
Chicago—175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING PROBATE BOND, WAIVING APPLICATION, JOINT CONTROL OR ANY FURTHER INFORMATION:

Name of party to be bonded _____

Occupation or business _____ Address _____ Male _____ Female _____

Name of Estate _____

Date of Appointment _____

Administrator _____ Executor _____ Guardian or Conservator _____

Sale of Real Estate by Administrator _____ Executor _____ Guardian or Conservator _____

Court where bond will be filed: County _____ State _____

Name of attorney _____

Party's reputation is good. His net worth is approximately \$ _____ and I recommend the bond as a safe one for you to execute. The bond does not exceed a previous bond in the same estate, party bonded is not indebted to estate and will not operate a going business.

Agent's Signature _____

Agent's Address _____

(For use only on bonds not exceeding \$5,000 where estate will be closed within 2 years. Do not use over \$5,000.)

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Nebraska • Ohio • Oklahoma • North Dakota • South Dakota • Wisconsin

ONE OF AMERICA'S OLDEST BONDING COMPANIES NOW IN ITS 43rd YEAR



YOU will be agreeably surprised by the broad coverage afforded in our new Residence and Outside Theft Policy which provides that mysterious disappearance of insured property is presumed to be due to Theft.

The inclusion of \$1,000 of coverage away from the premises will give you the opportunity to present something new and attractive to prospects for

this new form of Residence insurance.

This new policy with its greatly increased coverage and more liberal terms will help you solve the problem of increasing your premium volume, with resulting increase in commission income.

There never was a better time to actively solicit Residence Theft insurance than right now!



The Travelers Insurance Company • The Travelers Indemnity Company • The Travelers Fire Insurance Company

THE TRAVELERS
HARTFORD • CONNECTICUT

be held May 20. He appointed a nominating committee.

Walraven Joins Continental

Continental Casualty has appointed J. Hesser Walraven eastern agency supervisor of the intermediate accident and health department. He has had many years of accident and health insurance experience both as an agent and in a managerial and supervising capacity.

Before entering insurance he was a production manager and producer in Hollywood and was responsible for many of the outstanding photoplay successes of the silent picture days.

William Carlson Is Advanced

NEW YORK—William Carlson has been appointed district group supervisor by Travelers. His office will continue to be at the 55 John Street office, New York City, where he has been group assistant for the last four years. Before that he was field assistant in the Bronx and Columbus circle offices of Travelers.

Prior to going with Travelers in 1932 Mr. Carlson was resident manager of THE NATIONAL UNDERWRITER at New York City for four years. Before that he was with the Spectator Company.

H. A. Shellard, northern California general agent of Federal Life & Casualty in San Francisco, is launching an intensive sales promotion campaign based on a radio advertising program. Don Rose, who conducted a radio campaign for the company in Los Angeles with considerable success, is in San Francisco to conduct this drive.

The final meeting of the Twin City Accident & Health Club for the season will be held May 10 in Minneapolis.

The Florida senate has passed a bill requiring sick benefit companies to increase deposits with the insurance department from \$5,000 to \$25,000.

COMPENSATION

Mich. Rates Will Be Raised 22.4%

LANSING, MICH.—Michigan workmen's compensation rates will be increased an average of 22.4% Aug. 1, to bring them into line with the broadened act adopted at the recent legislative session. Commissioner Forbes announced on his return from a New York meeting of the regional committee. The meeting, attended by 10 members representing the carriers, Commissioner Forbes, who acted as chairman, and A. S. Cowlin, Detroit, manager of the Michigan Compensation Rating Bureau, who served as secretary, was held in the offices of the National Council on Compensation Insurance with C. W. Hobbs acting as counsel.

Loss experience under the old law was studied and loadings were made to meet the added hazards. With little experience at hand relative to occupational diseases, covered under a schedule act including only about 30 ailments in recent years, it was decided to make a flat 10% increase on this line. The new act makes all occupational ailments compensable.

In some especially hazardous industries and occupations, particularly where the fatality rate is high, the increase may be as high as 50%, while in some low loss fields, such as clerical workers, it will be as little as 10%.

No rate adjustments will be made on policies expiring in August but those expiring after Sept. 1 will be endorsed and the new rates will apply. The new law is effective July 30.

Michigan men attending the conference in addition to the commissioner and Mr. Cowlin, were W. C. Bishop, manager State Accident Fund;

Charles Burch, secretary Michigan Mutual Liability, and Edward Warnicka, vice-president Standard Accident.

Wrabetz Renamed in Wis.

MADISON, WIS.—Voyta Wrabetz, Madison, a member of the Wisconsin industrial commission for 15 years, has been reappointed for a six-year term. He has been chairman of the commission since 1933, and has served as president of the International Association of Industrial Accident Boards & Commissions.

Neb. Benefits Bill Favored

LINCOLN, NEB.—The Nebraska legislature has set May 21 as a tentative adjournment date. The bill increasing the maximum weekly compensation benefits from \$15 to \$17 a week, originally \$20, has been placed on the preferred list.

Name New Mich. Commissioners

LANSING, MICH.—Governor Kelly has appointed labor and industry commissioners under the act reorganizing the department setup and providing for staggered terms.

George W. Dean continues as commissioner of labor. The other five

members of the workmen's compensation commission are Mrs. Betty Allie, Highland Park; Vincent McAuliffe, Charles H. Mahoney and John W. Gibson, Detroit, and James L. Hill, Lansing. Mr. Gibson was chairman under the preceding administration.

SURETY

FHA Contract Bond Rate Program Is Discussed

The Federal Housing Administration and the surety interests have been holding discussions looking to the adoption of a contract bond rate program comparable to that which was brought out last year for the War Department. The FHA initiated the request and Martin Lewis, president of the Towner Rating Bureau, has been in the midst of the negotiations. Last week in New York Mr. Lewis held meetings with representatives of the producers organizations to acquaint them with the situation. In connection with the special low rates for the war department, commissions to producers were reduced and such a reduction would doubtless be part of any

agreement that is made with the FHA. Due to its activity in the war housing field, FHA is a rather prolific source of contract bond business.

The Towner Rating Bureau last week promulgated for Navy contracts the special War Department rates including the same reduced scale of commissions. Some time ago it was indicated that the Navy was abandoning the policy of renegotiation in favor of competitive bidding and that means that there will be a greater proportion of contract bonds required for Navy jobs.

In return for the special low rates granted by the surety interests last year, the War Department agreed to require bonds of contractors except under unusual circumstances. It is assumed that the Navy Department has made a similar agreement.

Watch Bill for U. S. Bond Fund for U. S. Employees

Considerable interest is shown in the McCarran bill which is now before a subcommittee of the committee on labor and education in the senate. This bill which was first introduced in 1935 and has been presented at nearly every session since then would create a bonding fund for federal officials and em-

In peace or war, an emergency need



Whether you drive a mile or a hundred miles, a Standard Automobile Insurance Policy is an everyday need.

Standard Accident agents and brokers are taking advantage of reduced automobile rates that not only invite new business but also encourage the carrying of higher limits of protection. And

today, the economical Standard Guest Medical Rider is especially important to motorists carrying extra passengers.

A Standard field man will be glad to show you our new wartime production helps available to assist you in selling this and other "miscellaneous" casualty and bonding coverages.

STANDARD ACCIDENT INSURANCE COMPANY

Standard Service Satisfies . . . Since 1884

SPRING FEVER CAN BE DANGEROUS!



WHEN you tilt back your chair and put your feet on the desk . . . when you gaze out at the sunshine, daydreaming . . . when you take an afternoon off from work . . . *you may be causing casualties on the battle fronts.* For you, as an insurance man, are vital to America's war production. Through safety engineering work, insurance companies are saving millions of man-hours formerly lost by industrial accidents. And these saved hours are helping ease today's manpower pinch . . . paying rich dividends in guns, tanks, planes. That's why we insurance men must redouble our activity this spring . . . must constantly study today's insurance problems . . . must intensify our safety engineering work. *Spring fever can be dangerous . . . to our men at the front!*

U.S.F.&G.

UNITED STATES FIDELITY & GUARANTY CO.

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FIDELITY & GUARANTY FIRE CORPORATION

HOME OFFICES



BALTIMORE, MD.

Consult your insurance agent or broker as you would your doctor or lawyer

ployes. If a bill of this nature should pass it would be a step toward government competition with private enterprise, because it would encompass not only the federal government directly but all of its subsidiaries and branches such as the Reconstruction Finance Corporation.

Indict 11 Minnesota Bankers

ST. PAUL—Surety companies were given free front page advertising in Twin Cities newspapers this week when they reported under big headlines the indictment of 11 Minnesota bankers for misuse of bank funds. Veteran court attaches said that this was the largest number of bankers within their memory ever to be indicted in St. Paul at one time. Sums alleged to have been taken ranged from \$700 to \$13,000, the latter in the case of an employee of the Midway National Bank of St. Paul, who was said to be the silent partner in an appliance sales firm which authorities say sold worthless conditional sales contracts to the bank through the employee.

CHANGES

York to American States as V.P.

I. W. York, until recently superintendent of agencies of Auto-Owners of Michigan, has joined American States as vice-president. He will devote some time to the development and expansion of the American States casualty lines in Michigan, assisting Resident Vice-presi-



I. W. YORK

dent W. E. Niven, W. H. Flint, eastern Michigan manager, and L. G. Patrick, Wayne county manager. In addition he will act as a special home office representative on sales in Ohio, Indiana, Illinois and Iowa.

Mr. York started in the business as an agent with the A. A. McDermott agency at Traverse City. In 1929 he accepted his first company position as a special agent for the Auto-Owners, traveling eastern Michigan. In 1935 he was advanced to state agent for Ohio and in 1936 was promoted to superintendent of agencies and sales manager.

Chandler, Jr., Makes Change

Frank M. Chandler, Jr., casualty underwriter of Glens Falls Indemnity in Chicago for the last four years, has resigned and been appointed a compensation and liability underwriter at the head office of Indemnity of North America in Philadelphia. Mr. Chandler previously had much casualty experience in Chicago, having been with his father when the latter was manager of American Employers in Chicago, then with Royal Indemnity for three years in Chicago and the Schroeder & Co. agency of Mil-

waukee for some time. He attended Northwestern University and was graduated from Western Military academy.

Laibly Assistant Manager; Other Chicago Changes

Norman A. Laibly has been appointed assistant manager of the Associated Indemnity and Associated F. & M. in the Chicago branch office. He is associated with M. W. Wilson, vice-president who is in charge of the branch. Mr. Laibly has been connected with the office for five years. He has been in the insurance business since 1930, formerly in Chicago with Continental Casualty and Builders & Manufacturers Casualty.

H. H. Rudd, claim adjuster, has been transferred to the San Francisco office.

Joseph C. O'Brien, claims manager in the Chicago office until last October when he went into the army, has been released by the army and is back in Chicago with the Associated group in the same capacity.

Bush with Jamestown Mutual

Millard N. Bush, claims supervisor for U. S. F. & G. in Newark for 14 years, has joined Jamestown Mutual as special home office claims examiner. He is a graduate of the University of Newark School of Law and is considered an outstanding expert in New Jersey insurance circles on workmen's compensation and liability claims. He was given a farewell reception before leaving for Jamestown, N. Y.

Farmer with Ohio Casualty in N. J.

Ohio Casualty has appointed Robert F. Farmer as special agent in northern New Jersey. Mr. Farmer was previously with Royal Indemnity, for the last three years at Newark, and prior to that in Cleveland.

Love National Auto Comptroller

George F. Love has been appointed comptroller of National Automobile at its home office in Los Angeles.

He has been manager of Joseph Froggatt & Co., in Los Angeles.

Harold L. Kelly of the New York office has been transferred to Los Angeles as manager of Froggatt & Co.

Bayley Goes to Peoria, Ill.

Elliott Bayley has succeeded Fred A. Martin as superintendent of claims for Ocean Accident in Peoria, Ill. Mr. Martin was transferred to Detroit. Mr. Bay-

NEWS OF THE CASUALTY COMPANIES

Report on Audit of Farm Bureau Mutual Auto

Reports of examinations of Farm Bureau Mutual Auto of Columbus and Farm Bureau Mutual Fire, in which Ohio, New Hampshire, Indiana and New Mexico participated, have now been released.

As of Aug. 31, 1942, Farm Bureau Mutual Auto was credited with assets of \$9,795,759, claim reserve \$2,308,921, premium reserve \$2,563,929 and net surplus \$4,396,944. From Jan. 1 until Aug. 31, net premiums written amounted to \$6,107,765 and losses paid \$2,763,176. In addition to writing direct automobile lines, fidelity and burglary, Farm Bureau Mutual Auto reinsures 100% all group accidental death and dismemberment insurance written by the affiliated Farm Bureau Life.

Included in the report is a resume of an audit of Ohio Farm Bureau Corporation inasmuch as Farm Bureau Mutual Auto owns 90% of that corporation.

Farm Bureau Mutual Auto receives reinsurance from American Farmers Mutual Automobile of St. Paul, Cooperative Insurance Mutual of Milwaukee and Farm Bureau Mutual of Indianapolis.

Farm Bureau Mutual Fire on Aug. 31 had assets \$1,764,033, premium reserve \$615,718, guarantee capital \$325,000 and net surplus \$698,750.

Employers Re Premiums Off in First Three Months

In the first quarter Employers Reinsurance had written premiums of \$2,096,437, compared with \$2,770,307 for the same period a year ago. The decline in premiums produced a slight decline in assets which were \$22,366,945 on March 31, compared with \$22,462,545 as of Dec. 31, 1942. Assets were \$882,760 larger than March 31, 1942. Voluntary special reserve increased \$554,733 in the quarter, bringing this account to \$2,364,981.

Net investment income on a statutory basis for the first quarter was \$107,656, compared with \$126,364 a year ago, and

ley goes from the home office claim department in New York city.

J. H. Lobdell, manager of the surety department of Groninger & Co., Seattle general agency, has resigned and is moving to California.

\$120,163 two years ago. The reserves for taxes were substantially larger for the first quarter. Directors declared the regularly quarterly dividend of 40 cents a share payable May 15 to stockholders of record April 30.

John R. Cooney New Head of Commercial Casualty

John R. Cooney, head of the fire companies in the Loyalty group, has been elected president of Commercial Casualty, one of the affiliates. He succeeds the late Howe S. Landers. Metropolitan Casualty is also a member of the Loyalty group but its annual meeting will not be held until later. Undoubtedly Mr. Cooney will head that company and therefore there will be uniformity throughout the organization. Mr. Cooney while primarily a fire insurance man has made an intensive and comprehensive study of casualty insurance and suretyship so that he is at home in administering the affairs of the two casualty companies.

Founders Mutual Report

The Illinois department has made its report on the examination of Founders Mutual Casualty, 175 West Jackson boulevard, Chicago, as of Sept. 30, 1942. Its assets are \$103,242, surplus \$62,219. It writes workmen's compensation insurance. The report says that the cash position is well maintained. Losses are settled in accordance with policy contracts and in conformity with the workmen's compensation laws. R. D. Phelps, the president and treasurer, is the main operating officer. The income the first nine months was \$76,867 of which \$68,146 was in premiums. The losses paid were \$25,306 with \$15,623 investigation and adjustment expense. Total disbursements amounted to \$60,913, the dividends to policyholders being \$14,201. Its premium reserve was \$1,456 and claim reserve \$30,280.

Ohio Club Hears Crabbe

Superintendent Crabbe of Ohio addressed the Casualty & Surety Field Club of Ohio at its monthly meeting Monday in Columbus. He told of the service which insurance organizations can render to state insurance officials, especially newly-installed superintendents. He thanked the members of the club for the assistance they have given him and reviewed legislation now pending in Ohio.

Home Office
Near the Falls of Minnehaha
On the Mississippi River



ANCHOR CASUALTY COMPANY

SAINT PAUL
MINNESOTA

FINANCIAL STATEMENT AS OF DECEMBER 31, 1942

ASSETS		LIABILITIES	
Stocks and Bonds.....	\$2,402,570.80	Reserves for:	
Bonds*	\$1,784,674.80	Claims	\$1,092,467.49
Stocks	617,896.00	Unearned	
F. H. A. Mortgages.....	193,515.84	Premiums	879,304.26
Cash in Banks and Office.....	340,074.47	Commissions ...	60,551.43
Premiums in Course of Collec-		Tax Reserve	160,000.00
tion (Not over 90 days).....	326,333.24	Other Liabilities..	37,893.18
Accrued Interest and Miscellane-			\$2,230,216.36
ous Funds	21,162.44	Contingent Reserve.	\$153,440.43
TOTAL ADMITTED ASSETS.	\$3,283,656.79	Capital	400,000.00
*Bonds are carried at Amortized Values. If they		Surplus	500,000.00
were carried at Market Values the Surplus to Pol-		Surplus to Policyholders.....	1,053,440.43
icyholders would be \$1,117,951.63—Stocks are car-		TOTAL	\$3,283,656.79
ried at Market.			



TRINITY UNIVERSAL INSURANCE COMPANY

Expresses Its Appreciation to
Agents Nationwide Whose
Efforts Have so Effectively
Popularized Our . . .

**COMPREHENSIVE
PERSONAL
LIABILITY
POLICY**

ORIGINATED BY
TRINITY UNIVERSAL
IN 1940



**Buy
UNITED STATES
WAR BONDS
AND STAMPS**

COMPREHENSIVE PERSONAL LIABILITY POLICY

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**TRINITY
UNIVERSAL
INSURANCE
COMPANY**

CAPITAL \$1,000,000

ISSUED TO _____

ADDRESS _____

EXPIRES _____

19 _____

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- ★ COMPLETE COVERAGE
- ★ NO COMPLEX RATE SCHEDULES
- ★ NO APPLICATION

DALLAS • CHICAGO • PHILADELPHIA • LOS ANGELES • COLUMBUS
NEWARK • INDIANAPOLIS • DENVER • BIRMINGHAM • SEATTLE

AUTOMOBILE • CASUALTY • FIRE • INLAND MARINE • COMPENSATION • BONDS

PERSONALS

Lyle Beach, assistant counsel of Continental Casualty and Continental Assurance, who has been in Billings Memorial Hospital, Chicago, for five weeks following a serious operation for a tumor, is now on the way to recovery. Following his operation he was given several transfusions which required nine pints of blood. Rather than accepting payment for the blood, the hospital asked Mr. Beach if his friends could not restore it to the hospital blood bank. Various officials and employees of the company have been doing this.

F. B. Alldredge, general agent of the Occidental Life and former head of the accident and health department of the home office at Stockton, Cal., has adopted as the slogan of his agency: "One day nearer Victory." It appears underneath the dateline of every letter sent out from the agency.

An African branch office of Fidelity & Casualty has been established by **Charles V. Karlmann**, who in civilian life is connected with the eastern department of F. & C. but is now in the armed service in North Africa. Mr. Karlmann saw an advertisement in the "Saturday Evening Post" stating "there is an F. & C. agent in your community to help you." Whereupon Mr. Karlmann proceeded to make good that claim. He prepared a large Fidelity & Casualty branch office sign which he installed in front of his tent and sent the company a picture of the new branch.

Alfred L. Shapleigh, vice-president and a director of American Credit Indemnity and one of the company's founders, was honored at a dinner in Baltimore given by the company directors. He was presented a wrist watch appropriately engraved. Among the guests were: R. Howard Bland, chairman U. S. F. & G.; E. Asbury Davis, president U. S. F. & G.; Stewart McDonald, chairman Maryland Casualty; Charles H. Roloson, Jr., president Central of Baltimore; Voris Lyons, Pennsylvania Casualty; W. Stanley Kite, president and A. E. Benson, vice-president Manufacturers Casualty. J. F. McFadden, president of American Credit Indemnity, was toastmaster.

DEATHS

W. K. Merriman, 70, for 28 years assistant superintendent in the claims department of the Ohio industrial commission, died in Columbus. He retired a year ago.

Samuel Clayman, 56, who represented Provident Life & Accident in Tacoma, Wash., died there.

John H. Ford, 67, who retired in 1928 as comptroller of the Aetna Life companies, died at his home in Hartford. He joined Aetna Life as a mail boy in 1891, and served in the accident and liability department when it was first established. He later was transferred to the accounts department, and subsequently was made auditor of payrolls and accounts. In 1913 he was promoted to comptroller of the companies in the group.

Funeral services were held in Colum-

WANTED

By old line reliable conference stock Casualty Company. Experienced special agent to travel Eastern Illinois. Reply giving experience, age, draft status and salary desired. Address R-77, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

POSITION WANTED

Surety and Casualty Underwriter and Field Supervisor with eighteen years experience in several states seeks a connection offering better opportunity. Over 39 married and minor children. Address R-78, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

bus Monday for **George L. Behrens, Sr.**, 74, who organized Globe Casualty there in 1914 and served as secretary until he retired in 1935. He was well known among the older generation of accident and health men and was prominent in Masonic affairs.

Give Up Hope of Interstate Formula

(CONTINUED FROM PAGE 23)

ceived to be the solution of their own major competitive problems as against another group."

The main point of disagreement was on the expense of handling big risks and the extent to which this should be reflected in graduated expense factors. The mutuals feel that the large risks are not so inexpensive to handle as the stock carriers contend, that these risks take time of the higher executives, require special surveys and for these and other reasons cost considerably more to handle than the stock companies have indicated.

The stock carriers, on the other hand, feel that the proposals for expense graduation which are now before the Compensation Rating Board of New York represent their best judgment as to what should be done. There is even some sentiment for cutting the expense margins still further.

The mutuals do not want to be bound to the same scale of expense loadings as would apply to stock carriers. They would like to see a maximum and minimum range with each company filing its rate schedule on a basis within that range and then adhering to its filed rates. This would be similar to what prevailed in Wisconsin at one time.

Would Permit Latitude

The other proposal for a range between maximum and minimum expense loadings would be to permit the companies to charge rates anywhere within this range without being considered in violation of the anti-discrimination laws. This plan would not find favor with the New York department, however, it appeared.

The fire representatives included Chairman Smith, Vice-president Ivan Escott of Home, Assistant U. S. Manager George Duxbury of North British, representing U. S. Manager C. F. Shallcross; George Frey, manager of North America's general cover department, representing President J. A. Diemand of North America, and Vice-president F. B. Tuttle of Atlantic Mutual. Representing the casualty companies were R. M. Clark, vice-president and secretary of Continental Casualty; S. B. Perkins, secretary compensation and liability department of Travelers; J. M. Haines, U. S. manager of London Guarantee, and Messrs. Yount and Ginsburgh.

Advisers on Hand

Mr. Dumont was present as an adviser to the fire committee, as was H. T. Freeman, president of Manufacturers Mutual Fire. Advisers to the casualty group were William Leslie, general manager of the National Bureau of Casualty & Surety Underwriters; F. A. Fleming, general manager Mutual Casualty Insurance Rating Bureau, and C. W. Hobbs, National Council on Compensation Insurance.

Also present were Commissioner Harrington of Massachusetts, Henry Sayer, general manager of the New York Compensation Insurance Rating Board and Louis Buffler, assistant director of the New York State Fund. Mr. Hamilton contended, as he did at the commissioners' meeting, that experience on expenses by size of risk should be fully supported by statistics.

Sessions were held by the commissioners in New York on a number of other topics, in preparation for discus-

sion and action at the Boston convention. There was a session on the question of bridging the gap between War Damage Corporation Insurance and fire and extended coverage and a session on what information should be obtained from insurance companies that are fiduciary agents of the WDC. Commissioner Harrington of Massachusetts is particularly intent on causing the companies to produce data on amount of liability assumed and other material. The War Damage Corporation has taken a firm stand in prohibiting the insurers from making available to the state authorities certain types of information.

The casualty company committee will meet in Boston the Friday before the commissioners convention.

Windstorms Cause \$2,500,000 Damage

(CONTINUED FROM PAGE 1)

The insurers' loss from damage done to the Akron Selle Co. plant, 451 South High street, will be around \$100,000. Its office building was destroyed when the second story dropped into the first. The W. E. Wright Co., building supply firm, and the George Body & Fender Co., next to Selle plant, also were seriously damaged. The front of the George Body & Fender Co. was ripped away. The Ferriot Bros. manufacturing plant suffered \$25,000 damage.

Mogadore, near Akron, was hit heavily.

Damage in Rural Areas

The fourth storm began in Sandusky county and continued east through Huron, Lorain, Medina, Summit and Portage counties. The path of the storm was narrow, about a quarter of a mile, and claims are not expected to exceed 200 for the area, most of them on farm property. It was characteristic of the

storm that damage was often complete where a building was struck but buildings 25 or 30 feet away were not harmed in the least. Area around Norwalk suffered considerable damage. At Hartland Center, eight miles southeast of Norwalk, a church, community hall, school house and several homes were leveled. The storm lasted a half hour in the Cleveland area, but near Bellevue lasted less than a minute. The storm missed Tiffin and did only a small amount of damage in Seneca.

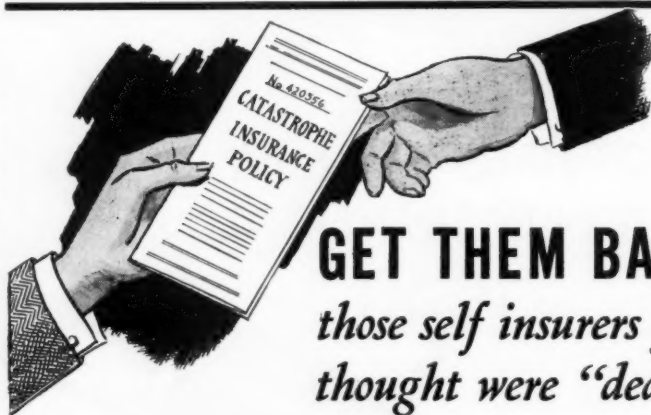
WPB Releases Materials

One of the questions that immediately arose was whether or not material could and would be made available for rebuilding tornado-damaged homes. In the Akron district the War Production Board indicated immediately that on certification by the Red Cross, lumber and other materials would be released. Permanent repairs may be handicapped somewhat by lack of materials and manpower, but various agencies were proceeding quickly and vigorously to carry out such a program. While lumber and electrical wiring were both scarce, roofing and plumbing supplies were ample.

It was indicated that emergency priorities for materials would not be available for damaged retail stores and other establishments not directly concerned in war activities. This may produce some substantial use and occupancy claims.

Priorities in Cleveland

There is considerable interest in what position the companies will take in the settlement of U. & O. claims made under the old policies by non-war businesses, in view of the companies' recent action in issuing an endorsement at double the rate for protection in case lack of priorities delays resumption of production or business. One factor in connection with windstorm losses that is not present when the loss is caused by fire, is the possibility of salvage of lumber, brick, wiring, etc. This may permit owners of buildings that are not



GET THEM BACK—
those self insurers you
thought were "dead"

"Excess" coverage policies make them "hot prospects" again

Go back to those self insurers you marked off your list. You've something everyone of them will listen to with interest when you talk "Excess" coverage.

No matter how big the company that "once-in-a-million" accident—that unexpected catastrophe can jolt them hard.

With our years of specialization

in "Excess" insurance to back you up, you can reopen every case you ever had that went self insurer. Each contract is handled as though it were the only one we were writing—a policy is tailored to fit the need precisely. Each contract is underwritten by prominent underwriters. Let us help you get this profitable business.

R. N. CRAWFORD & CO., Inc.

120 So. La Salle St., Chicago. Tel. Randolph 0750

Headquarters for "OUT-OF-THE ORDINARY" Contracts

completely demolished to get back in business even where they cannot get new material.

Emergency War Production Board regulations permitting owners of damaged homes to proceed at once with repairs costing up to \$5,000 were announced by the regional WPB office in Cleveland. An A-14 priority is being given for lumber and an A-10 priority for plumbing supplies. Sufficient wiring probably is available locally, and no priority is needed on glass in that area. WPB authorized lumber companies to sell lumber and shingles for outside covering of damaged homes without waiting for written orders, in order to protect residences and property from the weather.

One difficulty was in storing furniture from wrecked homes, and in Akron a storage depot was established by the tornado relief committee because warehouses are stuffed with furniture from households broken up by military service, and fire stations were being called into use for emergency storage.

Many automobiles were severely damaged by the Ohio storm. In Akron a third of the city's 85 taxicabs were damaged, and six of them were demolished. The damage to 24 others varied from \$100 to \$300.

6,500 Losses in Evansville

At about the same hour April 27 that the windstorm struck northeast Ohio, a severe hail storm hit Evansville, Ind. Western Adjustment and Underwriters Adjusting immediately sent extra men into the city to handle the losses. The number of losses will run around 6,500, and will average between \$75 and \$100 apiece. Most of the damage was to roofs and glass, the latter being due to the accompaniment of wind, which in some cases whipped the hail so vigorously against the sides of buildings that it knocked off the paint.

There was naturally a big demand for extra adjusters as a result of the Ohio and Evansville storms. Some of the individual companies sent out calls to independent adjusting firms in the middle-west to furnish what extra men they could for the Cleveland and Akron areas. Underwriters Adjusting and Western Adjustment sent in extra men. There was a call for more men at Evansville. Some of the extra adjusters were still in Mattoon, Ill., where a heavy hail storm occurred a couple of weeks ago. One firm reported that it is still getting between 25 and 30 claims a day in the Mattoon area.

Harold S. Bowen of the Bowen Company agency of Norwalk was asked by THE NATIONAL UNDERWRITER for his observations on the tornado loss.

"On the night of April 27," he replied, "a tornado swept in from the west and moved quite slowly with extreme destruction, over northern Ohio. Of course, I am most interested in the damage done in Huron county which will probably run over half a million dollars. The tornado seemed to rise and dip as it passed over our farms. On Route 61 a few miles southwest of Norwalk, it had not touched for a period of about a mile, when it dipped down and completely destroyed a farm and all of its buildings, leaving property directly across the road entirely untouched. As the wind swept east it hit a little community known as Hartland Center. At this point, there was the church, a general store, three school buildings, a community hall and a dwelling. All were leveled to the ground. The community hall was spread over a 25 acre field with nothing but the foundation remaining. Live stock was killed in the destroyed barns and in the fields—and an enemy air raid could hardly have been more destructive.

"I do a little flying and the next morning I flew across our county retracing the path of the tornado. The view from the air showed the complete destruction—and it was easy to trace it from farm to farm—and through the many stands of timber through which it passed.

"There is a great spirit of coopera-

tion among the farmers in this section. All banded together to assist where they were most needed and although the property loss will run very high, tornado insurance was pretty generally carried. As usual, however, amounts were not adequate.

"In this section, the tornado missed the towns and cities, but as it swept eastward through Akron and Lakewood, many homes and factories were destroyed in the congested areas.

"It was the most severe tornado since the Lorain disaster in 1924 and will probably renew the lesson that it pays to carry adequate tornado insurance."

Plan Mich. "Ad" Campaign on New Responsibility Act

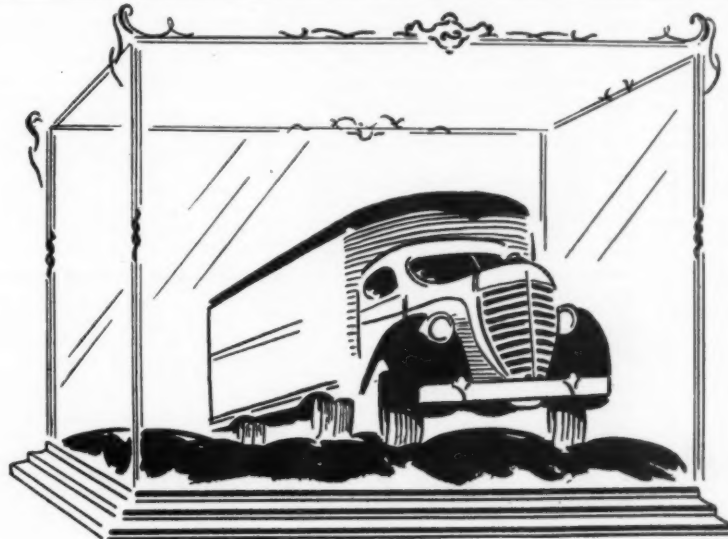
LANSING, MICH. — Automobile-writing companies operating in Michigan will finance an extensive educational advertising campaign relative to the new financial responsibility law, it was decided at a conference here attended by spokesmen for about 45 carriers. A committee was named to draft recommendations. It includes W. E. Searl, Auto Owners; C. L. Miller, Standard Accident, Detroit; John Carton, Wolverine, Lansing; L. J. Carey, Michigan Mutual Liability, Detroit; W. E. Niven, Amer-

ican States Detroit manager; Howard Brown, Detroit Automobile Inter-Insurance Exchange.

Commissioner Forbes of Michigan, W. O. Hildebrand, secretary-manager of the Michigan Association of Insurance Agents, and Roy L. Davis, Chicago manager Association of Casualty & Surety Executives, attended.

Assigned Risk Pool

Consideration is to be given to an assigned risk pool and information will be sought from New York and New Hampshire, which have similar responsibility laws, and also from Indiana, which has just adopted a stricter act.



"MORE PRECIOUS THAN JEWELS"

WARTIME curtailment of truck manufacture has focused attention on the equipment now in service. Significant is a statement by Joseph B. Eastman, director of the Office of Defense Transportation, who describes our trucks as "literally more precious than jewels!" Alert shippers are taking every precaution to protect their transport supply. Safety methods, frequent inspection, proper maintenance—all are of the utmost importance. In that connection, Markel Service—insurer of leading truck and bus companies for many years—is equipped to render valuable service. Through a progressive plan of specialized activities, Markel Service stands ready to help truck and bus owners and operators do a better job—and keep 'em rolling to Victory!

FOR VICTORY
 BUY
 UNITED STATES
 WAR
 BONDS
 AND
 STAMPS

MARKEL SERVICE

INC.

RICHMOND, VIRGINIA

NEW YORK
DALLAS
BRANCH OFFICES
LOS ANGELES
SAN FRANCISCO
CHICAGO
BOSTON

Hartford Counters in Boiler Rates

(CONTINUED FROM PAGE 21)

of difference that the department is trying to reconcile is over the broad form of Hartford and the extended coverage of the bureau companies. At the meeting May 12, there will be represented not only Hartford Steam Boiler and its ally, Employers Liability, and the bureau companies, but Mutual Boiler and Lumbermen's Mutual Casualty.

Lumbermen's Mutual has not prepared a new manual. It is waiting to see the outcome of the New York situation and in the meantime is holding considerable business under binder.

While the agents are immensely pleased at the simplification that has been made in the new manual of the National Bureau of Casualty & Surety Underwriters, particularly the removal of the large section pertaining to cast iron boilers, company engineers are faced with increased burdens. In the past cast iron boilers have been rated according to the name of boiler and size. Now the rating is on the basis of cubic inches and that means that the engineers will have to go out and measure every cast iron boiler. Of course once the work is done it will be easy to renew the business.

Graded Expense Program Advanced

(CONTINUED FROM PAGE 21)

will pay for agency or broker service about 29% less than he pays now. Under the three retrospective rating plans still greater savings can be made in proportion to the reduction in losses during the policy year.

While there are many details still to be worked out and commission scales have not been endorsed by all producers, they have approved the general principles and outline of the plan. President Kenneth Spencer of Globe Indemnity is chairman of the committee and other members are Hall Anderson, Fidelity & Casualty; J. F. Matthai, U. S. F. & G.; J. L. Berter, Hartford Accident; S. B. Perkins, Travelers; G. L. Story, Employers Liability; General Manager William Leslie, and C. J. Haugh, actuary National Bureau of Casualty & Surety Underwriters.

Regardless of which of the four plans is selected the proposed commission scale is: First \$1,000 of standard premium 17.50% general agency and 12½% for the broker; next \$4,000, 12½% and 7½%; next \$95,000, 7½%; and 5%; above \$100,000, 6% and 5%. The general administration and payroll audit expense is 9½% on the first \$1,000 of premium and 4.10% on premiums above \$1,000.

There is also a tax saving because of the lower premium. The total discount under the guaranteed cost plan on premiums from \$1,000-\$4,000 is 10.7%; on the next \$95,000 the discount is 15.8%, and over \$100,000 it is 17.3%.

The rating formula for all three retrospective plans follows the same procedure as under present plans except that the provision for taxes is now taken care of by a separate tax multiplier, and hence the basic premiums and loss conversion factors have been correspondingly reduced. The report gives the following example for a typical state where there is the normal 40% expense loading in the rates, the standard premium being \$25,000. Under the new guaranteed cost plan the premium would be \$21,412.

If the risk takes the no surcharge retrospective plan option and the losses turn out to be \$10,000 (40% of the standard premium) the retrospective premium is thus calculated: To the basic premium of \$6,750 (27% of \$25,000) and the losses multiplied by the loss conversion factor of 113; the result, \$18,050, is modified by the tax multiplier of 1.026 giving \$18,519.30 which is the final premium since this is greater than the minimum premium of \$18,125 (72.5% of \$25,000) and is less than the standard premium. It can readily be calculated for a risk of this size that if the loss ratio (measured against the standard premium) is 38.6% or less the minimum premium of \$18,125 applies; if the loss ratio is 50% the premium would be the same as under the guaranteed cost option, namely \$21,412; while for a loss ratio of 62.4% or more the maximum premium, that is the standard premium of \$25,000, is payable.

Similarly, if this same risk selected the second retrospective plan and sustained the same amount of loss, the final premium would be \$16,723.80; if the third plan were selected the final premium would be \$17,108.55.

Advertising Men Hold Key to Future, Fetzer Says

(CONTINUED FROM PAGE 2)

large available supply, it has the choice of many channels through which to obtain its supply and as it observes those channels it will become more discerning. This will produce a cycle of the survival of the fittest. There will be new ways found of simplifying processes and improving product to give the buyer constantly increasing value for his money. Wasteful duplication of services, artificial barriers and restraints will be eliminated. There will be few free rides to prosperity and those that will survive will earn their survival.

This gives advertising and merchandising people a splendid opportunity to improve distribution, product, service, he stated. While security is a fundamental human instinct, there are millions of small wage earners who do not have any household furnishings fire insurance, although every fire in a low income residential area may represent a financial tragedy to some one which those in the insurance business have the opportunity of preventing. Yet insurance is not doing an effective job of distribution in those channels. More millions have no burglary insurance, yet it is not only the millionaire who suffers loss by burglary and robbery. Other millions have no automobile insurance.

Woman Employed in Large Jobs by London Guarantee

London Guarantee employs a woman investigator and adjuster for certain large construction jobs. She is Miss Josephine Rance and at present is stationed at Mountain Home, Idaho, where 1,800 men are employed in the construction of an air field. She lives at the barracks and covers the entire camp, which is about five miles square, in her car. She investigates, adjusts and disposes of compensation and public liability claims. The camp is deep in the sage brush country about 12 miles from any town and consists of dust moving machines, barracks and an infirmary. Miss Rance also manages all the executive work of the infirmary. Her brother, Ralph T. Rance, is in the law department of the home office.

Government Meets Commerce Issue

(CONTINUED FROM PAGE 2)

government's brief implies. It cites the following passage from United States vs. Wrightwood Dairy Company, 315 U.S. 110, 119 (1942): "The commerce power is not confined in its exercise to the regulation of commerce among the states. It extends to those activities intrastate which so affect interstate commerce, or the exertion of the power of Congress over it, as to make regulation of them appropriate means to the attainment of a legitimate end, the effective execution of the granted power to regulate interstate commerce. . . The power of Congress over interstate commerce is plenary and complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the constitution. . . It follows that no form of state activity can constitutionally thwart the regulatory power granted by the commerce clause to Congress. Hence the reach of that power extends to those intrastate activities which in a substantial way interfere with or obstruct the exercise of the granted power."

Insurance "Affects" Commerce

From this decision it follows that the power of Congress must be held to apply to fire insurance, which affects all branches and types of commerce, the brief contends. It goes on to cite data to show that "insurance in its various forms is the foundation of credit and the protector of all commerce, rather than a mere incident thereof."

In support of its contention that insurance is commerce and that the power of Congress under the commerce clause of the constitution embraces the regulation of interstate insurance in spite of Paul vs. Virginia and the cases following it the brief cites a number of authorities, including insurance men. Among these are the following:

Henry E. Hess, in 1904 when he was

manager of the New York Fire Insurance Exchange: "The fact that today, practically every chance of business life is protected and guarded against by some form of insurance makes the argument reasonable that insurance should be recognized as commerce."

John F. Dryden, former president of Prudential, and United States senator, in 1904: "I believe all America today understands the word 'commerce' to comprehend insurance."

QUOTES N.A.I.C. HEAD

A. I. Vorys, of Ohio, president of the National Association of Insurance Commissioners in 1904 and later a director of Ohio Farmers: "The now broad, intimate and necessary connection of insurance with commerce . . . furnishes ample reasons for the belief that federal supervision of interstate commerce will be adopted and that it will be sustained upon one or all of these grounds; that insurance is commerce; that it is an instrumentality of commerce; that the transportation from state to state of insurance policies, not authorized by Congress, may be forbidden by Congress as a protection to the commerce that concerns all the states."

Committee on insurance law of the American Bar Association in 1905: "The question whether Congress may regulate the business of interstate insurance depends not necessarily upon the conception which the framers of the constitution had of the commerce which that instrument placed under federal control nor does it depend upon mere definitions but rather whether the thing itself bears to the business life of the nation that intimate and vital relation which other conceded instrumentalities of commerce bear to it."

James M. Beck, formerly an assistant

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attorney-general and solicitor-general of the United States, in 1905: "The failure of Congress to legislate with reference to insurance does not disprove the existence of the power, for the same inaction is to be noted with reference to any congressional regulations of interstate commerce. The Supreme Court has never had occasion to consider the validity of a federal statute to regulate insurance. All previous decisions were predicated upon state statutes."

Huebner's Statement in 1905

S. S. Huebner of the University of Pennsylvania, in 1905: "Insurance in its various forms turns out to be the foundation of credit and the protector of all commerce rather than the mere incident of commerce that the Supreme Court has declared it to be."

Edwin Maxey of West Virginia University, in 1905: "Practically every man who thinks of the insurance business as it exists today thinks of it as one form of commercial activity, thinks of its relations as commercial relations."

Sylvester C. Dunham, former president of Travelers, in 1905: "Insurance has outgrown state lines and has become national in its scope. It has not been adequately controlled by state authority for years."

Nat Tyler, authority on insurance legislation, wrote in 1905: "I hold that it is within the constitutional power of Congress to select insurance companies of the states as 'means' or 'instrumentalities' of interstate commerce."

Miles M. Dawson Quoted

Miles Dawson, actuary of the Hughes Investigation in New York state, wrote in 1905: "The fact now appears to be that insurance is one of the most important commercial enterprises in the world and a more vital part of the commercial structure than many other handmaids of commerce which might be mentioned that have received recognition long ago."

Committee on insurance law of the American Bar Association, 1906: "Because Paul vs. Virginia and the cases based upon it involve a fundamental error in their repudiation of the usage and practice of the commercial world, because what was therein said on this point was dictum and because the court has refused to be bound by its previous decisions upon constitutional questions, the insurance cases do not abrogate the power which Congress possesses under the constitution to regulate and supervise interstate transactions in insurance."

QUOTES FROM BOOK

D. K. Watson of the Ohio Bar, in his book, "The Constitution of the United States," (1910): "In the progress which the doctrine of interstate commerce is making it is difficult to see how some branches of the insurance business can much longer be precluded from its regulation."

G. E. Seward, former president of Fidelity & Casualty (1910): "... commerce, meaning the interchange of merchandise, does not go on without insurance. Insurance in fact is a vital factor in all commerce. Interstate insurance has become one of the greatest interests in the nation."

Henry Evans, at that time president of the America Fore companies, in his testimony in 1919 before the House subcommittee on the merchant marine and fisheries: "I think insurance is commerce. . . . I believe that if the matter came before the Supreme Court today, if you could properly frame up such a case, that they would change their ruling."

Bernard C. Gavit, writing in "The Commerce Clause of the United States Constitution," cited as a leading work on this provision: "'Commerce' includes more even than 'business.' The insurance business is certainly 'commerce.' It is not necessary that there be an interstate sale of tangible property before there is an interstate commerce; while the question of when and where and under what law the transaction is finally consummated is immaterial."

James M. Landis, at that time a federal trade commissioner, referring in 1934 to the insurance cases beginning with Paul vs. Virginia: "It must be remembered that these cases do not establish the proposition that the federal government has no power to regulate insurance. They simply establish this proposition, that if the federal government has not acted, transactions in insurance are not immune from state control."

Walter H. Bennett, at that time secretary-counsel of the National Association of Insurance Agents, wrote in 1934: "This case (Paul vs. Virginia) did not

concern the rights of the federal government to regulate insurance—it was the other way, the constitutionality of the Virginia statute." Again during the same year: "In my judgment, since the insurance is national in its scope, the old question of whether or not it actually is interstate commerce becomes academic. No one denies that it affects interstate commerce just as surely as it is affected with a public interest."

Peter R. Nehemkis, Jr., special counsel Securities & Exchange Commission, in the Georgetown law journal (1939): "Would the Supreme Court, upon an appropriate record involving an act of

Congress and in the light of the altered significance of the insurance problem, perpetuate its ruling that insurance is not commerce?"

Senator O'Mahoney of Wyoming, chairman of the Temporary National Economic Committee, in a 1940 speech: "The fact that the federal government does not exercise a power granted to it by the constitution does not, of course, deprive the federal government of that power, and the history of our business legislation demonstrates conclusively that as business becomes more and more concentrated, as it becomes more and more national and international in its



ONE

IN the pull and pressure of a great nation making a tremendous war effort—in the daily demand that a thousand things be done at once, it is good to pause for a moment and go back to the simple fundamentals that make this nation One.

We, in the insurance field, engaged in the protection of our country's assets on the home front, can well remember that we, too, have One purpose, One reason for being in business. Manufacturers has One business . . . to guard the owner of something of value against the shock of its Loss. Manufacturers' constant effort to supply this guard, and the agent's or broker's constant effort to place this protection are not two separate activities, but One. Stated simply to the man or woman who needs protection, the fundamental purpose of this united activity is—to be "Your Guard Against Loss."

MANUFACTURERS Casualty Insurance Company



PHILADELPHIA

scope, the inevitable result has been the expansion of federal power."

Former Superintendent Pink of New York, at a meeting of the American Bar Association in 1940 spoke in opposition to the federal regulation of insurance but stated that the constitutionality of federal regulation is not excluded by the Paul vs. Virginia decision.

ACT HELD TO APPLY

As to the applicability of the Sherman act to insurance the brief, after reiterating its contention that insurance is interstate trade and commerce, states that "nothing has been more clearly established in the history of the Sherman act than that any contract, combination or conspiracy to fix prices in interstate trade and commerce is illegal per se. . . . It is also charged that the defendants combined and conspired to monopolize interstate trade and commerce in fire insurance. By the express language of section 2 of the Sherman act such a conspiracy is an offense against the United States."

The brief goes on to say that "business and law alike regard insurance as an economic good in the market to be purchased as any other property or beneficial interest. But even if such were not the case, reason and analogy alike would condemn contracts and combinations with regard to fire insurance whenever the interest of the public were injuriously affected. A combination that destroys rivalry in business, stifles competition and fixes rates of fire insurance is as prejudicial to the public interest as if it were a combination of merchants and tradesmen to maintain an unalterable standard for the price of cloth, beef or butter. To condemn a combination formed to prevent competition in the furnishing of the materials used in the construction of a house or in the work of its erection and yet uphold a contract that will prevent competition in insuring those materials or the house to be constructed, is to lose sight of the substance and to pursue a shadow."

Question of Tenth Amendment

Regarding the S.E.U.A.'s point that the tenth amendment to the federal constitution providing that powers not delegated to the United States by the constitution are reserved to the states, the antitrust division's brief contends that "the reservation of rights to the states and to the people cannot be construed as eliminating any phase of interstate commerce from the application of an act passed by Congress while in the exercise of its constitutional right to regulate the commerce among the states. On the contrary the rights reserved to the states must be construed in the light of and limited by the commerce clause of the constitution."

Contending that it does not follow that the application of the Sherman act to the fire insurance business would displace state legislation, the government's brief cites a number of Supreme Court decisions and states that "the theories expressed by defendants that all state legislation affecting or regulating fire insurance would immediately and inevitably be nullified in the event of a decision favorable to the government are groundless phantasmagoria."

After quoting from an address by E.

W. Sawyer, attorney of the National Bureau of Casualty & Surety Underwriters, in which he stated that "until Congress enacted legislation states would still have the right to control insurance and presumably the rights of the states would be abrogated only so far as Congress assumed control," the brief states that a conclusive determination of this issue is to be found in the Supreme Court's decision in *Parker vs. Brown*, 63 Sup. Ct. 307 (1943), in which the court adjudicated what the brief terms the same issue, the validity of the California state raisin prorationing program which was claimed to conflict with the Sherman act and the commerce clause.

Rejecting this contention the court stated, ". . . it is plain that the pro-rate program here was never intended to operate by force of individual agreement or combination. It derived its authority and its efficacy from the legislative command of the state and was not intended to operate or become effective without that command. We find nothing in the language of the Sherman act or in its history which suggests that its purpose was to restrain a state or its officers or agents from activities directed by its legislature. . . . here the state command to the commission and to the program committee of the California pro-rate act is not rendered unlawful by the Sherman act, since in view of the latter's words and history, it must be taken to be a prohibition of individual and not state action."

Rating Laws Not Illegal

From this it would appear that the antitrust division would not consider a uniform schedule of rates as contrary to the Sherman act provided they were required by a state. However, the opinion cited also states that "we may assume . . . without deciding, that Congress could in the exercise of its commerce power prohibit a state from maintaining a stabilization program like the present because of its effect on interstate commerce," which seems to mean that Congress could outlaw state rating laws if it chose, if fire insurance were held to be commerce, but that the Sherman act of itself applies only to combinations or conspiracies of "private persons, individuals or corporates," and hence would not conflict with state rating requirements.

The brief denies the statement in the S.E.U.A. brief that the states have directed their legislation "specifically and curtailment competition in fire insurance."

Sees No Bar to Competition

"They have rather placed certain restrictions on the activities of the fire insurance companies upon the theory that the business of fire insurance is so affected with the public interest as to require measures to be taken to protect the public," the government's brief states. "None of these authorities, however, militates against competition among the insurance companies subject only to the measures designed to protect the public, nor does any of them suggest or favor combinations of insurance companies subject to no controls and designed to eliminate competition by their own fiat. On the contrary a number of the states have enacted antitrust or anti-compact statutes. . . ."

The government's brief devotes considerable space to upholding its contention that the indictment in each count is sufficient in law to charge an offense

Still Speculate on Cover of Broad Theft Policy

There is still much speculation as to how certain losses will be interpreted under the new broad form theft policy. One home office burglary man expressed the opinion that he would not have a great deal of confidence in successfully denying liability for the loss of a stone out of a ring if assured wanted to take the matter into court. The language of the policy, "mysterious disappearance of any insured property shall be presumed to be due to theft," is very broad, he said, and the "presumption" in the contract may be of more weight in court than the circumstances of the loss.

One claim has been made about which there is some question. A soldier whose family carried a residence burglary policy lost a wrist watch subsequent to the effective date of the new contract and made a claim. It is the underwriter's opinion that this loss is not covered, that the soldier, while a permanent member of the family, is not a permanent mem-

ber of the household as specified in the policy.

Companies seem to be inclined to watch the first claims under the new policy very closely because the settlement in one way may influence the settlement of future claims of the same class.

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T. J. Crowe Slated May 12

NEW YORK—T. J. Crowe, superintendent of the burglary and plate glass department of Bankers Indemnity, will address the Queens County Brokers & Agents Association May 12 at Long Island City.

Blakesley with Forshay Agency

ANITA, IA.—E. M. Blakesley, former banker, has become associated with the Forshay Loan and Insurance Agency here as a solicitor and will assist Mrs. Wilma M. Forshay, who is now operating the agency. Mr. Blakesley at one time was associated with Byron Forshay in the bank at Anita and also was connected with a bank at Wiota, Ia.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Rock County Unit Sets Forth Strong Program

The executive committee of the Wisconsin Association of Insurance Agents held a meeting with representatives of the Rock County (Janesville) association which recently withdrew from the state organization. The Rock County group got up a formal agenda and statement of principles. It objects to the local board membership rule on the ground that it injects the state association into matters of purely local interest. It likewise objects to the agency representation rule of the state association.

Service on the executive committee of the state association should be limited to four consecutive years and service in any one office should be limited to two years, according to the Rock County statement. "Artificially created" expense on the part of agents and companies should be eliminated in order to narrow the competition between direct writing companies. The state association should seek to get equality of taxation of all types of insurers both in Wisconsin and nationally. The fleet system of operation should be discontinued.

Objection is entered to the excepted city status of Milwaukee and a minimum objective of the state association should be to have experience segregated as between Milwaukee county and the balance of the state. The system of mandatory rates should be changed to a system of advisory rates with free and open deviation permitted. The principle of anti-discrimination should be scrapped. There should be an end to the "domination" of the Fire Insurance Rating Bureau over forms and the forms themselves should largely disappear with the provisions becoming printed portions of the policy. The Wisconsin insurance department should have greater funds in order to make more frequent insurance company examinations. Resident agency laws should be liberalized and the principle of countersignature needs reexamination, according to the Rock County group.

Action Taken on Ohio Bills: New Measures Introduced

COLUMBUS, O.—A bill has been introduced in the Ohio senate which would permit municipalities to insure funds or securities in the hands of any city official, including funds or securities in transit to or from a bank or trust company. It has been referred to the judiciary committee. The Ohio house has passed a senate bill requiring the treasurer of state aid universities to provide security for deposits.

The senate has passed a bill permit-

ting mutual assessments associations to issue comprehensive coverage.

The Ohio house has passed a bill making changes in the financial responsibility act and it has been referred to the senate highways committee but later will be sent to the senate insurance committee.

The house has passed a senate bill permitting subdivisions acquiring publicly-owned enterprises to continue the group insurance coverage. The house insurance committee has recommended a bill from the senate which permits group policies to be antedated.

The house has passed a bill permitting public officials to sell insurance to subdivisions and state institutions.

Reluctant to License Neb. Pro-Rate Hail Insurers

LINCOLN, NEB.—With considerable reluctance State Insurance Director Fraizer has re-issued licenses for 1943 to the two domestic hail insurers that write policies containing a provision for proration of losses. As this is permitted by Nebraska law the commissioner had no alternative but to direct that licenses be renewed. However, he had personally protested that when loss payments are cut the result is bad for the insurance business.

While the policies plainly state they are written on a pro-rata basis, many buyers do not read their policies, and when losses occur write protesting letters to the department. Many complaints are received during a year and their burden is that neighbors with stock company policies get paid in full and promptly, but they must wait until the end of the insurance year before it can be determined what proportion of their loss will be paid. Licenses were also renewed with reluctance to the few remaining assessment health companies that were organized and in operation before the law requiring \$10,000 deposit of securities was passed.

Minn. Federation Will Meet in St. Paul June 9

ST. PAUL—The annual meeting of the Insurance Federation of Minnesota will be held here June 9, it was decided at a meeting of the executive committee the past week. Karl V. Klein, president of the Insurance Exchange of St. Paul, has been named general chairman, to select the place of meeting and arrange the program.

There will be a business meeting at 11 a.m. at which the officers will present their reports and other routine business will be transacted. Then will follow the annual luncheon and election of officers. Chairman of the nominating committee is C. S. Laidlaw, vice-president Minnesota Farmers Mutual. A. Herbert Nelson, Travelers,

president of the Twin City Accident & Health Club is chairman of the auditing committee and W. K. Blewett, president Twin City Fraternal Life Underwriters Association, is chairman of the memorial committee.

Clyde B. Helm, secretary-treasurer of the federation, is now preparing his report on the recent session of the Minnesota legislature and it will be sent to members within a few days.

New Fireboats for Twin Cities

ST. PAUL—Two coast guard fireboats for St. Paul and Minneapolis will be officially put into operation at a public demonstration in the coming week. They are part of a nation-wide fire fleet for protection of facilities along vital inland and coastal waterfront installations and are manned by coast guardsmen who were firemen in civilian life.

Chief Specialist Alvin Williams, in charge of the fire boat detail for this area, was a member of the Minneapolis fire department for 26 years. The coast guard detail will cooperate closely with local fire department officials. The aid of insurance men has been enlisted in making fire prevention surveys.

Cincinnati Program Changed

CINCINNATI—The intense interest in the Cincinnati Fire Underwriters quiz program for the meeting May 10 has compelled a change in the program. Instead of as originally planned, representatives of only the Audit Bureau and the Inspection Bureau will be on hand to answer agents' questions. C. C. Atwell, Joseph Rielage, and Leo Schwerr representing the Ohio Audit Bureau will be at the speakers' table and they will be accompanied by Joseph Seibert and Fred Garber of the Inspection Bureau. Later a similar program will be given with representatives of the adjustment companies on hand to answer agents' queries.

St. Paul Manager Retires

ST. PAUL—Edward A. Ritt, for 35 years manager of the Fire Underwriters Inspection Bureau at St. Paul, retired from active service May 1. He has been in ill health for some months.

Mr. Ritt's office had charge of Ramsey and Washington counties and also South St. Paul. He recalled that during his connection with the bureau, fire insurance rates in the district have declined from 30 to 40%. Before joining the bureau 35 years ago, Mr. Ritt was connected with local agencies in St. Paul.

Aurora Completes A. & H. Course

The study class sponsored by the Aurora (Ill.) Association of Insurance Agents, which is carrying out the educational course of the N.A.I.A., this week completed the accident and health section with Donald R. Compton, Chicago manager of Provident Life & Accident, as the instructor. Mr. Compton supplemented the regular N.A.I.A. outline with

material from the course he gave in his own agency last winter. There were 18 in the Aurora class.

Hail Damage in Kansas

The first hail storm of consequence for the season in Kansas occurred in Rice and Reno counties April 27. Several hundred claims were reported from Lyons and Nickerson, requiring the aid of extra adjusters. Losses were largely to roofs as no wind accompanied the storm, which reached to the city limits of Hutchinson but caused no claims there. There was little, if any, loss to the wheat crops.

Honor W. A. Scherfe at Party

FORT MADISON, IA.—Iowa field men represented in the Scherfe agency here, gave a party Wednesday evening for W. A. Scherfe, head of the agency, honoring his 50th year in the business. In addition to the field men, a group of local agents and associates of Mr. Scherfe attended. A plaque, signed by those present, was given Mr. Scherfe.

New Minn. Governor to Speak

MINNEAPOLIS—Minnesota's new governor, Edward Thye, will make his first appearance before an insurance group as the speaker at the annual dinner of the Insurance Club of Minneapolis May 14. Governor Thye assumed office April 27 on the resignation of Governor Stassen, who has entered the navy.

K. C. Prevention Committee

President Harry M. Gambrel of the Kansas City Insurance Agents Association has appointed Vincent J. O'Flaherty, Jr., O'Flaherty-Norman Co., as chairman of the fire prevention committee. Other members are Raynolds Barnum, George Oppenheimer, Joseph J. McGee, and F. P. Logan, Jr.

Ill. Valued Policy Bill Advanced

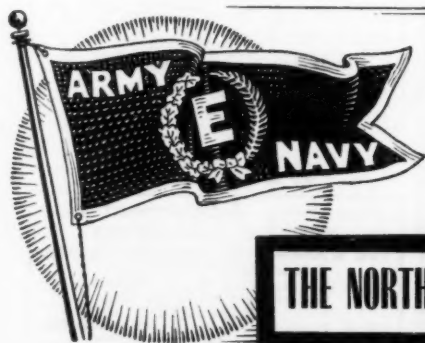
The valued policy introduced in the Illinois house has been recommended out by the insurance committee by quite a large majority. Therefore it is on the floor and insurance people will now arrange to be heard on this measure, which naturally they oppose very vigorously.

NEWS BRIEFS

At the May 4 dinner meeting of the St. Paul Association of Insurance Women, delegates to the national convention in Milwaukee were selected. A. C. Fellows of Minneapolis Lloyds spoke on "Women in the Insurance Business."

In its third round table discussion of "An Ideal Insurance Program for a Corporation," the Insurance Buyers Association of Minnesota took up casualty and use and occupancy coverages.

The Sioux Falls Association of Insurance Women at its monthly meeting, in order to conform with the Na-



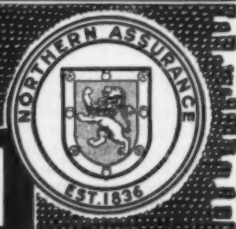
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tional association, decided to extend the term of the present officers for another six months. Miss Amy Krueger, Y. W. C. A. secretary in Sioux Falls, was the guest speaker.

The Illinois Association of Fire Protection Districts will meet in Chicago, May 1-2.

The Des Moines Association of Insurance Women will hold its annual meeting at a dinner May 12.

William C. Smith, Columbus manager of Hartford Accident, will speak before the Insurance Women of Columbus May 6 on "Comprehensive Liability Insurance."

The Indianapolis Association of Insurance Women will sponsor the May 17 performance of the "Walrus and the Carpenter," to be given by the Civic Theatre of Indianapolis. The proceeds will be used to furnish a day room at some nearby camp for men in service.

The Insurance Women of Racine, Wis., entertained the Insurance Women

of Milwaukee in Racine at a dinner meeting. The welcome was given by the Racine president, Miss Ada Iselin. Vilas Whaley, attorney from Racine, gave an address. Mrs. Florence Fox, the Milwaukee president, expressed appreciation, and Miss Lucille McDermott of Milwaukee talked on the National Association of Insurance Women and the convention to be held in Milwaukee in June.

Edward E. Reilly, Leavenworth, Kan., agent, has been elected president of the chamber of commerce there. The agency was established by his father in 1926. He became ill six months later, and E. F. took charge of the agency shortly after completing law school.

The Pittsburgh (Kan.) Insurance Board held a joint meeting with the Real Estate Board there.

The Smart agency of Cleveland, of which the principals are James H. Smart and Roger E. Smart, has moved to 1740 East 12th street.

3, except for life agents, whose licenses do not expire until next January.

About 200 agents have appointed conservators of their business during the absence in war service. There are also 69 persons serving as conservators for brokers under the special licenses provided.

Department Man Is Speaker

LOS ANGELES — Edmund W. Cook, senior examiner of the California department, addressed a joint meeting of the Southern California Fire Underwriters Association and Casualty & Surety Field Men's Association of the Pacific Southwest on violations of the insurance code. He told the special agents how they can aid in seeing that agents and brokers have more comprehensive knowledge of the code and thus reduce the number of complaints and suspensions.

School Takes Up Casualty Topics

LOS ANGELES—At Insurance Institute of California classes conducted by the Insurance Exchange of Los Angeles, L. D. Maupin, Jr., Columbia Casualty Co., and Elmer Williams, Aetna Casualty lectured on boiler, water damage and plate glass insurance.

Cowlitz County Agents Elect

The Cowlitz County Association of Insurance Agents has elected H. H.

Martin of Longview, Wash., president. James Torrence is vice-president; J. B. Neeb, secretary-treasurer; Lester Bell and E. A. Knight, members of the executive committee.

Hitt in Pacific Northwest

James C. Hitt, newly-appointed Pacific Coast manager of the London Assurance group, visited Vancouver, Seattle, Spokane and Portland, renewing old acquaintances in the field which he once traveled as special agent.

NEWS BRIEFS

H. C. Skarie, local agent at Bozeman, Mont., is in charge of the selective service office there.

The luncheon meeting of the King County Insurance Association in Seattle, May 13, will feature a transcribed presentation of the U. S. Chamber of Commerce radio program.

Ben Ludlow, one time special agent in Seattle of North British and with the Federal Works Agency the past six years, has joined the Seattle chamber of commerce as employment and training specialist.

Neilsen K. Masten, Spokane manager of Aero Insurance Underwriters, is the father of a son, the third child in the family.

James W. Frazier, chairman of the C. P. C. U. committee of the King

PACIFIC COAST AND MOUNTAIN

Breeden Slated to Head Pacific Board

SAN FRANCISCO—John P. Breeden, vice-president of Corroon & Reynolds since 1934, has been nominated for president of the Pacific Board and will be elected to that office at the annual meeting in San Francisco, May 6. Because of the demands of war the meeting is being held in San Francisco

which have been invited all of the retired company executives of the past several years. There will be resolutions in memory of Charles L. Barsotti, John M. Mendell, Paul C. Bates and B. O. Selbach.

Arizona Holds Up Use of 1943 N. Y. Standard Fire Policy

PHOENIX, ARIZ.—The Arizona corporation commission has suspended its order making the 1943 New York standard fire policy mandatory in this state as of July 1. It had previously intended to start use of the revised form at the same time as New York. Until further notice, the 1918 New York form will continue to be used in Arizona.

Decrease in Cal. Licenses

SAN FRANCISCO—The California department is now distributing about 30,000 applications for renewal of licenses to various types of producers, a decrease of about 2,500 from last year. It is expected the drop will be even larger, as some agents and brokers have entered military service or gone into war industries without notifying the department.

The applications must be completed and filed with the department by June



JOHN P. BREEDEN

instead of, as usual, Del Monte, where the big hotel has been taken over by the military authorities. Mr. Breeden has long been active in the affairs of the Pacific Board.

John C. Bunyan, Pacific Coast manager of the Commercial Union group, has been nominated for vice-president, and the following for two year terms on the executive committee: Herbert Ryman, Great American; Frank J. Pelletier, Hinchman, Rolph & Landis; Arthur M. Brown Jr., Edward Brown & Sons; Frank C. Beazley, Phoenix of Hartford group; George V. Lawry, Travelers Fire; R. H. Griffith, Glens Falls, and Karl E. Lively, general agent of Portland, Ore.

Charles C. Hannah, Fireman's Fund, will report for the executive committee; H. F. Mills, Aetna Fire, for the supervisory committee; Joy Lichtenstein, Hartford, public relations; Charles R. Page, Fireman's Fund, laws, and Ray Decker, Royal-Liverpool, for the general agency committee. The group also is considering a proposed change in the general agency rules for the territory.

A feature will be the luncheon to

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County Insurance Association, outlined the C. P. C. U. course to Insurance Women's Club of Seattle and told of plans for forming a study group in Seattle next fall.

Charles Shaffer, local agent at Caldwell, Ida., is a member of the Civilian Air Patrol there and is quite active in carrying out its duties.

J. Sowell has joined the A. B. Chase Real Estate & Insurance Exchange at Pocatello, Idaho, to develop the insurance business of that office.

K. O. Harwood, formerly with North-

western Mutual Fire, has established an agency at Longview, Wash.

The O. L. Renn agency of Walla Walla, Wash., has been purchased by Sherwood & Roberts following the death of Mr. Renn.

W. G. McCallum of Anacortes, Wash., has purchased the E. M. Barker & Son agency and has merged it with his agency.

The John Larkin & Co. agency, Bremerton, Wash., has purchased the business of the Bremerton Insurance, Real Estate & Investment Co.

Ernest Eklund of Hoquiam, Wash., has acquired the business of R. E. Dawdy, who is retiring because of illness.

tary-treasurer. Mr. Owsley continues in the insurance business, operating as the Owsley Insurance Agency.

Program for Ga. Agents' Meeting May 20 Announced

Hunter Brown, former president of the Florida Association of Insurance Agents, will be the keynote speaker at the conference of the Georgia Association of Insurance Agents in Atlanta May 20. He will discuss the public relations program of the National association, which is the theme of the conference.

On May 19 the officers of the 15 local boards in Georgia, the Atlanta Insurance Women's Club and insurance educational leaders from adjoining states will meet with George W. Scott, educational director of the N.A.I.A., to discuss educational problems. Fay Roberts, chairman of the Georgia association will preside. The executive committee of the Georgia association also will meet that day.

At the conference proper the morning session will feature a discussion of the insurance educational program by Mr. Scott. Rutherford Ellis, president will present his annual report. There will be a "point rationing luncheon." Mr. Brown will discuss the public relations program at the afternoon session, followed by election of officers.

A dinner-dance Thursday evening will be the only entertainment feature. The golf tournament will be omitted.

EAST

Clarner Is Secretary of New Hampshire Body

L. G. K. Clarner has been appointed secretary-treasurer of the New Hampshire Association of Insurance Agents to succeed Stewart Nelson of Concord. Mr. Clarner is also an agent of Concord. He is the son of the late Louis Clarner, former secretary of the New Hampshire Board of Underwriters. He graduated from the University of New Hampshire and returned to Concord after having been employed for some time in Leominster, Mass. He is associated with the Morrill & Everett agency at Concord.

Mr. Nelson appeared before the executive committee at its recent meeting and stated that it probably was inappropriate for him to continue in his capacity inasmuch as he represents General Motors interests and that they indicated their intention to license automobile dealers as insurance agents. The association is on record as opposed to this action. Mr. Nelson has been secretary and treasurer since October, 1935.

Fire Courses for Mass. Bankers

BOSTON—Two fire insurance courses for junior executives of savings banks

IN THE SOUTHERN STATES

Non-Resident Brokers Now Must Be Licensed in Ark.

LITTLE ROCK.—After June 11 all non-resident brokers must have licenses from the insurance commissioner before they can write policies in Arkansas. The new countersignature bill passed by the 1943 legislature becomes effective on that date.

Commissioner Graves, representatives of the Arkansas Association of Insurance Agents and of the companies met here to discuss licensing procedure and forms. It was emphasized that when an individual, also a member of a partnership or company, applies for a license, it shall be issued to the company.

Those attending the conference included: C. S. McNew, Jr., Pine Bluff, president; Robert Maxwell, Texarkana, vice-president; H. A. Ritgerod, Little Rock, manager; L. R. Martin, Pocahontas; T. P. Williams, F. I. Beyer and J. Roy Donham, Little Rock, representing the agents' association; M. R. Smith, Fireman's; T. T. Wilson, U. S. F. & G.; Mac Anderson of Anderson & Newell, and Frank Wait, Shepherd & Co., company representatives.

Prof. Patterson to Talk at Texas Meeting

Program plans for the session of the Texas Association of Insurance Agents in Austin, May 19, were announced by Executive Secretary D. G. Foreman. The afternoon program will be for members of the Texas association. The morning session will be open to company men.

E. W. Patterson, professor of law, Columbia University, New York City, a visiting professor at University of Texas, will discuss the proposed new Texas standard policy at the morning session. He was the chief draftsman of the New York insurance law of 1939 and a recognized authority on insurance law. All stock companies doing business through Texas local agents have been invited to send representatives to hear Professor Patterson.

The proposed streamlined policy will be discussed at a hearing before the Texas board of insurance commissioners the day following the agents' meeting.

Hunter Brown Headliner for Arkansas Convention

LITTLE ROCK—War-time problems will be discussed at the annual meeting of the Arkansas Association of Insurance Agents in Hot Springs May 14-15.

Hunter Brown, Pensacola, Fla., member of the executive committee of the National Association of Insurance Agents, will talk on "A Public Relations Program for Local Agents," and E. H. O'Connor, Chicago, Ill., executive director, Insurance Economics Society, on "Public Relations and Free Enterprise."

Van Howell of Cravens & Co., Fayetteville, national state director, will give a talk on "Arkansas Agents and the National Association." There will be a talk by Attorney-general Guy Williams, a fire prevention and protection symposium, open forum on local agency

problems and discussion of the new countersignature law.

Rate Regulation Bill Introduced in Florida

TALLAHASSEE, FLA.—The house insurance committee has under consideration a bill by Representative Gautier of Miami, seeking to give the commissioner of insurance authority to supervise and regulate rates on fire and windstorm insurance in the state. The author says it is similar to a Virginia law.

The proposed Florida bill would require the companies to create and establish a fire rating bureau which would take over the rating work of the S. E. U. A., with rates to be approved by the insurance commissioner. Mr. Gautier stated that since Mississippi withdrew from the S. E. U. A. some years ago, under a state rating board rates in the state have been greatly reduced.

Oppose Non-Profit Theories

About 200 business men and educators of Oklahoma met in Oklahoma City in a conference on education and industry. Purpose was to promote a better understanding between business men and educators and to discourage the teaching of non-profit theories in schools.

Kerbow Opens Temple Office

The Frank D. Kerbow Claims Service of Austin has opened an office in Temple, Tex. W. J. Hewitt, formerly of Tulsa, Okla., an experienced insurance man, will be associated with Mr. Kerbow.

Change in Martin-Owsley

Martin-Owsley, Inc., New Orleans, has purchased the interest of H. F. Owsley and the name of the agency has been changed to Martin & Co., with the following officers: Joseph S. Montaldo, president; Rodric D. Bushnell, executive vice-president; Roy J. Martin, vice-president, and George E. Martin, secre-



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The first school is being given at 89 Broad street, Boston, Wednesdays, and the second on Thursday afternoons, at 57 Exchange street, Worcester. Each class is limited to 30 students, and the course is for six weeks.

Robert M. Morrison, Boston insurance attorney and writer, is instructor. The course is designed to give savings bank employees in real estate and mortgage departments a fundamental knowledge of the fire insurance business as it applies to mortgagees. The classes are the outgrowth of a test school conducted by the mutual association last year for the Essex county branch of the Savings Bank Forum in Lawrence.

Saltmarsh in Pittsburgh Post

W. C. Saltmarsh has been placed in charge of the Pittsburgh territory of the Factory Insurance Association. He takes the place of P. D. Van Orden, who died recently. Mr. Saltmarsh went with F.I.A. in 1936, was located in Philadelphia for a time and then went to Hartford as supervisor in the inspection department. For the past year he has been in charge of stock pile storage work for the National Bureau for Industrial Protection in Washington.

Will Continue His Agency

A. J. Rouillard, who has resigned as New Hampshire insurance commissioner to become special agent of the Commonwealth and Mercantile in New Hampshire and Vermont with headquarters at Manchester, N. H., will continue to be interested in the local agency he established in his home town of

Claremont, N. H. The agency is Barnes, Rouillard & McPherson.

Auto Men Balk Part-Time Bills

CONCORD, N. H. — The New Hampshire legislature has killed bills introduced by the New Hampshire Association of Insurance Agents which would prevent part-timers from engaging in the insurance business. Determined opposition by automobile dealers prevented passage of the measures.

Vermont Meeting May 13

The spring meeting of the Vermont Association of Insurance Agents has been set for May 13, probably at Barre. David A. North of New Haven, president of the National Association of Insurance Agents, will address the evening session.

Talks will be given by Henry E. Davis, Providence agent; Vice-president E. M. Allen, National Surety; F. W. Potter, Aetna Casualty. The banquet speakers will be Governor W. H. Wills and President D. A. North, National association.

Ploeser N. Y. Banquet Speaker

Congressman Walter C. Ploeser, who in private life is a prominent local agent at St. Louis, has been secured as a banquet speaker at the convention of the New York State Association of Local Agents in Syracuse, May 11.

NEWS BRIEFS

The Dargan & Co. independent adjusting organization of New York has opened an office in the Maryland Trust building in Baltimore with Charles W. Slagle, Jr., as manager.

a small amount of insurance in percentage to value.

During the past winter season a much larger number of people used their fireplaces to supplement their heat due to oil regulation. Therefore there have been numerous claims for rugs or furniture damaged by sparks flying out. Altogether the situation is not encouraging.

Shields Mich. PPF Speaker

Frank J. Shields, manager of the inland marine department of National Union Fire, Chicago, talked on the personal property floater, which becomes legal in Michigan after July 30, at a meeting Monday of the Grand Rapids Association of Insurance Agents.

Companies Watch Truck Cargo Cover

Companies writing truck cargo insurance are watching intently the experience on that line especially since those carrying merchandise that has increased in value are looked upon as prey for thieves. So far there has not been much hi-jacking of trucks. There is an increased frequency, however, and the company men would not be surprised to find the loss ratio ascend. A question has arisen as to what might be the experience of trucks carrying black market goods like all forms of meat. There is

a large amount of truck cargo insurance written. Babaco Company, which has an alarm device for trucks, is loaded to the guards with orders because the truck owners themselves realize the danger of their stuff being stolen.

Drop in Yacht Premiums in New York Is Expected

NEW YORK—The decision of OPA to grant no gasoline for non-occupational motor boating in the New York area, except for boats that are part of the Coast Guard Auxiliary, will naturally cause a considerable reduction in yacht premiums. However, yacht underwriters had not expected the season to be a large one. Last year the yacht business shrank about 50% and it is expected that a similar shrinkage will occur this season.

Port risk coverage is by far the largest line written by yacht underwriters today inasmuch as all the large boats have been turned over to the government or put into Coast Guard service for the duration. Under this new regulation of OPA practically the only boats allowed to operate will be sail boats, which probably do not constitute a third of the number of boats normally operated in nearby waters.

James R. Munro, special agent of Firemen's of Newark in Michigan, has resigned to enter war work.

MARINE INSURANCE NEWS

New System of Combined Additional Rates

NEW YORK—Marine underwriters have announced a new system of combined additional rates for marine surcharges and marine extension clauses to become effective June 1. The additional rates which include the current surcharge and a modification of premium for over-age vessels will compensate for the extra coverage which will apply to all voyages except those within the continental United States, excluding Canada, Alaska, Newfoundland, Hawaiian inter-island shipments and shipments by air.

The marine extension clause provides for a flat additional premium instead of the wartime surcharge plus a separate additional for each delay or interruption. Under wartime conditions it is not always possible for underwriters to make the appropriate additional rates for delays because the necessary information cannot be obtained and the marine extension clause has been adopted to provide adequate coverage. Rates on imports range from 1/8% to 2 1/4%, the latter applying on shipments to Turkey and the Levant and export rates range from 1/8% to 4%, the highest rate being applicable to Turkey and the Levant.

Many Small Losses on Personal Policy

Companies writing the comprehensive personal property floater are carefully scanning their claim records and are disturbed at the multitude of minor claims that are made. Some officials declare that it will be necessary to have a deductible clause in order to overcome the tendency to make claims for insignificant losses. Many, for in-

stance, will make a claim for loss of gloves. School children may lose a book and a claim is paid. A woman shopping may have laid down some merchandise she has purchased and declares it was stolen. There are all sorts of claims and they usually come under minimum premium policies. People are not inclined to take out sufficient insurance and therefore the companies do not get an adequate premium for the coverage. Complaint is made that agents are too willing to accept the decision of the assured to take out

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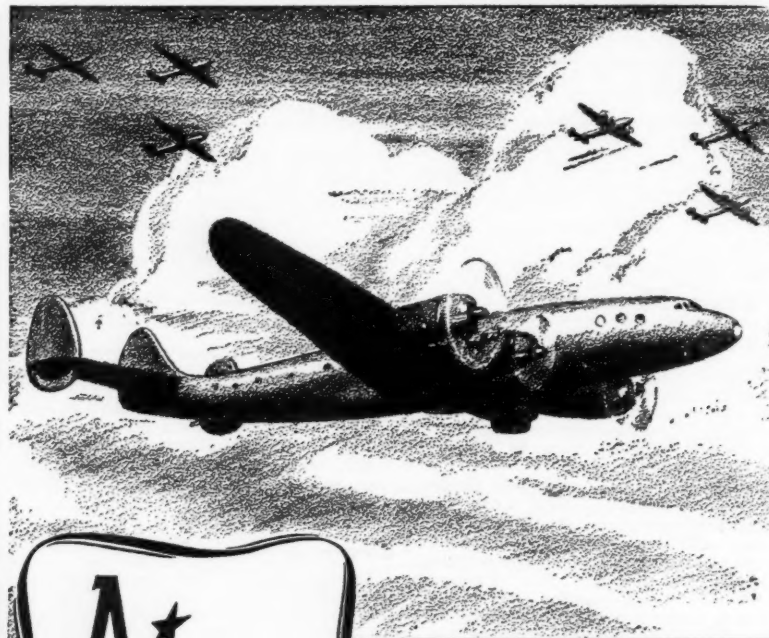
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Damage to the interior, exterior and contents of your premises by housebreakers and theft coverage away from the premises for you and your family are some of the many other features contained in this up-to-the-minute policy.

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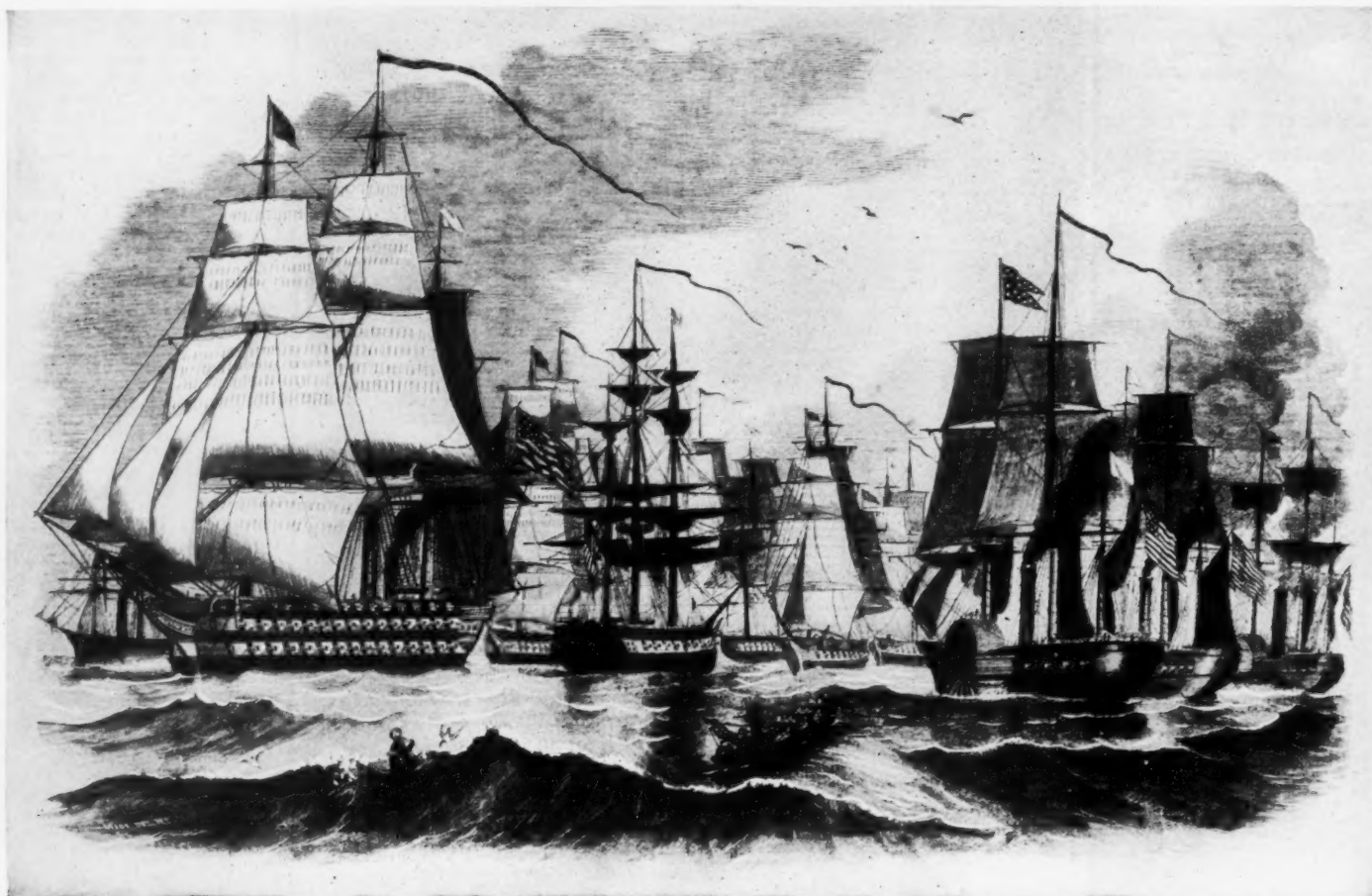
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Let's go back in '43

Just ninety years ago Commodore Perry, on behalf of our government, welcomed Japan into the society of nations. America thus struck the bonds of feudalism from a nation which has repaid that act of decency with ruthless hatred; which through the following nine decades has single-mindedly plotted the destruction of its benefactors; and which, on "a day that will live in infamy," committed its ultimate act of supreme treachery.

Now let's go back to Japan—with the only kind of message these "people" understand. Let's go back with our warships—yes and planes and bombs as well—to imprint a lesson on the Japanese mind, and on that of the other Axis would-be conquerors of free men, that they will not forget in the lifetimes of their great-grandchildren—and ours.

To help attain that most desirable end, The Home Insurance Company, having been founded in the same year as Commodore Perry's expedition, is celebrating this year its Ninetieth Anniversary by making the following additional modest contribution to the Second War

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